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WAGES JULY 77 - DEC 1977

For Attention:

Mr D. Horner  
Research Officer  
Southern Africa Labour and Development Research Unit  
University of Cape Town  
RONDEBOSCH  
7700

Dear Mr Horner

HSRC PUBLICATIONS : YOUR LETTER/ORDER OF 16 July 1977

It is regretted that the publication The wage structure of highly qualified Non-Whites as at 1 March 1975

is out of print.

Copies of the publication/\* have been sent to all provincial and university libraries. It is suggested that you approach the nearest of these libraries for a copy.

~~The amount of R-----is herewith being refunded to you~~  
(cheque-No. ).

Yours faithfully

FOR PRESIDENT

# Equal pay for all doctors likely

The Argus Correspondent

JOHANNESBURG.—South Africa's health authorities are expected to abolish racial discrimination in their salary structure for full-time doctors soon, probably this year.

The general secretary of the Medical Association of South Africa, Dr. Marais Viljoen, said today the association had every hope that this issue, for which South Africa had been repeatedly criticised by the medical profession overseas, would be resolved soon.

'We have reason to believe that the matter is receiving the serious attention of the authorities,' Dr. Viljoen said. 'We trust that the justice of our case is fully appreciated.'

## EXPERIENCE

It has always been our policy that salaries for doctors should be based entirely on qualifications, experience and service rendered — not on colour and race.

The Government and the provinces closed the gap to some extent when the salaries of White doctors were increased last year by 10 percent, those of Coloured and Asian doctors by 15 percent and those of Black doctors by 20 percent.

## UP TO 90 PERCENT

In broad terms, this means that whereas Coloured and Asian doctors previously received about 85 percent of the salary of a White doctor in the same category, they now get up to 90 percent.

Previously, Black doctors received about 72 percent of the salary of Whites. Now the percentage has been increased to about 79 percent.

Recently, both the Minister of the Interior, Dr. C. P. Mulder, and the Minister of Health, Dr. Schalk van der Merwe, have indicated that the ultimate aim is equal salaries for all doctors, irrespective of race.

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F.M. 17/12/76

## **WAGE GAP — SMALLER, BUT**

Figures just released by the Department of Statistics show that the wage gap in the financial sector continues to narrow if defined as a ratio, but to widen if expressed in rands.

The figures, which apply to the third quarter, show that the average White employee in a bank takes home three times as much as the average African (as against 3,3 times the amount two years ago). Among building society employees the ratio is 3,3 (3,7), and in insurance companies 3,2 (3,6).

Banks (including the Reserve Bank and the Land Bank) employ 59 000, of whom 6 600 are Africans; building societies 13 800 (2 000); and insurance companies 34 600 (4 600).

Average African monthly earnings (including overtime, allowances, bonuses, etc) stand at: banks R162; building societies R127; and insurance companies R174. Increases in the past year ranged between 16% and 18,3%.

White percentage increases were smaller, varying between 9,4% and 13,4%. This explains the shrinking of the ratio of White to African earnings.

But 13,4% of R426 (the White increase in banking) works out at much more than 18,3% of R137 (the African increase).

Similar trends are evident among university employees, of whom there are 16 800 Whites and 7 400 Africans. After an increase of 12% in the last year, Whites earn R652 a month. Africans, after an 18,2% increase, take home R143 on average.

The ratio of White to African take-home pay has narrowed from 5,2 to 1 two years ago to 4,6 to 1. But the wage gap has widened by R100 in that time — from R409 in 1974 to R509 this year.

The wage gap, of course, is a function of several factors: differing levels of skill and education, shortage of skilled Whites and an oversupply of unskilled Blacks; job reservation and racially discriminatory rates of pay; and the fact that, in banking for example, Whites have legally recognised trade union rights whereas Africans do not.

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## UN study on wages disputed

Figures from the Bureau for Market Research and the Department of Statistics contradict a new United Nations study which claims black South Africans earn less than those in some of Africa's poorest countries.

The UN study claims black South Africans were worse off than citizens of at least 15 independent African countries.

It gives the average black income in South Africa as R187,42 a year and claims Soweto residents earn a per capita average of R215,32 and rural blacks R103,72. The figures were for 1973.

However, Department of Statistics figures show that blacks in most major cities and towns earned R57 a month — or R684 a year in 1973.

### INCOME

In 1973 blacks in these areas earned up to R91 a month.

Statistics from the Bureau for Market Research resemble the department's figures. The bureau says the annual income for blacks in Johannesburg rose from R297 in 1970 to R883 in 1973.

Calendars containing data compiled by the ABS — including social, political and economic information on African states — are available at 50c each from any Star office or by mail from The Star, 47 Finner Street, Johannesburg, for 65c.



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Wages

## What Russians Earn

Mercury Correspondent

LONDON — A comparison of wages and prices in Russia and Britain shows that a Russian worker has to work twice as long as a British worker to earn himself the price of a loaf of white bread, four times as long to buy himself a chicken, and 10 times as long to buy a pound of apples.

The average Soviet worker's monthly take-home pay is about 146 roubles (R172) compared with the British worker's R283 and the American worker's R588.

A Russian has to work more than two hours to earn the price of a pair of socks, 500 hours for a refrigerator, nearly 800 hours for a colour TV.

92. South African Institute of Race & Farm Labour in the Orange Free St
93. See, in particular, P. Rich "The the Evolution of Apartheid Ideology Witwatersrand, 1976, mimeo; M. M. Capitalism in South African Agric

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## SALES TAX FIN MAIL Battered unions 11/3/77

Organised labour isn't surprised by this week's price hikes — but it certainly isn't happy about them either.

Tucsa general secretary Arthur Grobbelaar says workers are obviously in for "a rough, tough, haul" — but that there's little the unions can do about it.

One union that will take the matter further is the 21 000 member Artisan Staff Association (ASA). "Our members simply can't face up to this any longer," says general secretary Wallie Grobler. "The ASA will be submitting a wage claim soon and will follow this to its logical conclusion." Grobler expects other railway unions to follow suit.

If the claim is not granted, ASA will "seriously consider" taking the matter to arbitration. "Our members can't lag 20% behind the CPI any longer. If the SAR doesn't have the money, it will simply have to be found. Tariff hikes will have to be adjusted to make provision."

Other unionists are equally worried. "Pressure from our members for wage hikes is building up. It's obviously going to build up more, particularly after the Budget," says Ben Nicholson, general secretary of the SA Electrical Workers Association.

Nicholson says his union prefers indirect taxation — "it reflects directly on the COL and enables us to put a better case to employers" — but argues that even this doesn't take the pressure off the rank and file. Petrol hikes are a big bugbear. "Jobs are scarce and many of our

men have to travel long distances to work — this will increase when work on Sasol II begins."

A number of wage agreements are due for revision around mid-year, and the unions have delayed formulating their demands until after the Budget. "We're obviously going to have to take this into account and up our demands, notwithstanding the Minister of Labour's appeals to us not to. Whether employers will agree is another matter," says Nicholson.

Tucsa's Grobbelaar argues that the solution doesn't lie in tougher wage demands, but in "all interested parties putting their heads together as we did on the Anti-Inflation Manifesto. The Mani-

imeo.



Grobler . . . we can't face it any longer

festos has been criticised, but it did keep the inflation rate within reasonable limits. At the moment, government seems to have decided to handle this on its own. It would do far better to involve organised labour and business, and tackle the problem by consultation."

(1) 7/4  
(2) 348

# Railway unions' war with Muller over pay

Staff Reporter

THE Minister of Transport, Mr Louwrens Muller, has been warned to expect wage increase demands from the Railways' 260 000 White and Black workers before June.

The chairman of the Federal Consultative Council of Railway Staff Associations, Mr Brian Currie, who speaks for the seven Railway unions, said Railway workers were bitterly disappointed that the Minister had avoided referring to wage and salary increases in his budget.

Railway workers' earnings were trailing the consumer price index by 24 per cent and the gap was widening.

Other Railway union leaders said they were prepared for a showdown with the Minister unless relief was granted at the latest from July.

The president of the Railway Artisan Staff Association, Mr Jimmy Zurcher, said the combined impact of the Minister of Finance's higher excise and sales duties, and the higher rail rates on the consumer price index would be dramatic.

"We knew the tariffs would have to be raised, but unless we get compensation, living standards will take another dive," he said.

Meanwhile businessmen

and economists fear an explosion of new wage increase demands.

They estimate that price increases would bump up the consumer price index by more than one per cent.

Further impetus to the price spiral would be given by the expected higher petrol price resulting from the nearly 21 per cent rise in petrol pipeline charges, and by the likelihood that Senator

Horwood would announce a higher excise duty on petrol in his Budget on March 30.

The head of the bureau for political and economic analysis at the University of Pretoria, Prof P. J. van der Merwe, said the million-dollar question was whether unions would accept a further erosion in living standards, or whether they would aggressively go after compensatory wage increases.



Watal Mowrey

22-3-77

## Examine labour costs, says U.K. visitor

Financial Editor

**SOUTH AFRICAN businessmen should have a close look at the cost of their labour, according to Mr. Lance Secretan, managing director of Manpower U.K.**

Mr. Secretan, who was addressing the Durban branch of the Southern African Institute of Chartered Secretaries and Administrators yesterday, said that few managers have any idea what their employees cost.

"They do not know what fringe benefits, labour turnover or absenteeism amount to.

"In Britain absenteeism is rampant in spite of the high unemployment there. In the coal mines, 25 percent of the miners do not show up for work."

Mr. Secretan added that even when workers did arrive on the job they were only active in the company's interests for half the time they were paid for.

In Britain, managers

did not make long-term plans but they did establish targets for the number of labour units required.

The primary objective was to reduce labour overheads. To find out the cost of labour a large number of components had to be added to the basic salary.

"This is not just a British problem and I suggest that you have a look at what is happening here."

The rules for how managers treated people were changing rapidly as they had to ensure that their business operations were efficient.

Mr. Secretan forecast that because of this policy unemployment in Britain, now totalling 1.5 million, would show a marked increase.

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① 189  
② 136  
② 339

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## Don't make excuses, employers warned

RDM  
14/4/77

**Staff Reporter**  
THE president of the Rightwing South African Confederation of Labour, Mr Attie Niewoudt, yesterday warned employers not to use current economic conditions as an excuse for rejecting wage and salary demands.

Mr Niewoudt, whose union represents 200 000 White workers, said in Pretoria that trade unions were in no mood to be given vague promises that rises would come when the economic situation improved.

He was commenting on employers' resistance to

wage demands from 500 000 iron, steel and engineering workers.

The nine iron and steel trade unions and the national industrial council for the industry would meet next week to study demands for increases ranging from eight to 20 per cent, he said.

He warned that unless workers were given adequate compensation for the inflation-eroded purchasing power of their earnings, industrial unrest could not be ruled out.

Like other trade unions, the iron steel and engineering unions' demands were

justified.

Their case was further strengthened by the fact that during the past 18 months they had voluntarily sacrificed 30 per cent of increases because of the Government's anti-inflation programme, he said.

Mr Niewoudt said employers' representatives had said wage increases in the present economic climate were undesirable.

"In my view the trade unions can go to the employers with a clear conscience and demand compensation with all the force at their command," he said.

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# Labour rejects wage control

By GERALD REILLY  
LABOUR leaders representing more than 400 000 White workers reject any form of wage and salary control as part of a plan to correct South Africa's sagging balance of payments.

They reacted yesterday to a suggestion by the director of the Bureau for Economic Research of the University of Stellenbosch, Professor J. L. Sadie, who told a congress in Cape Town that drastic measures, including wage and price controls, were needed to solve payments problems.

Market forces could not regulate wages and prices, and workers would have to accept lower living standards.

The general secretary of the Trade Union Council, Mr Arthur Grobbelaar, warned in Pretoria against any attempt to control wages and salaries.

Voluntary control, he said, was agreed to in an effort to give the Government's anti-

inflation programme a boost. But any effort to impose controls would be resisted by trade unions.

He knew of no country where wage and salary controls had been successful.

The Government had distorted market mechanisms by its penetration into the private sector.

"Remove State intervention in this area, and natural economic forces will determine realistic prices and wages," he said.

The president of the South African Confederation of Labour, Mr Attie Nieuwoudt, said he and other trade unionists agreed to the anti-inflation wage sacrifices.

"But what happened? Prices continued to rise and workers' living standards continued to fall."

He would resist any attempt to impose wage control because price controls seemed totally ineffective.

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RD 14

4/5/77

# Professor Sadie attacks wage, price rises

STAX 5/5/77

5/5/77

## Labour Reporter

A leading economist, Professor J. L. Sadie, has called for an end to "social responsibility" wage hikes so that unemployment may be minimised.

Launching what is possibly the fiercest and most

authoritative attack on wage increases to date, he also called for common sense from the Government, implying an end to regular hikes in the prices of food items, electricity and railway tariffs.

The "iniquitous" clauses in wage contracts providing for pay rises in line

with the rising cost of living should be declared illegal as soon as possible, he said in the opinion survey issued today by the Stellenbosch Bureau for Economic Research, which he heads.

"It should be explained to the half million or more workers waiting to submit new claims that there is only one agree-

ment that can legitimately be used to support their claims, and that is a rise in productivity, backed by statistical evidence."

Workers had been granted wage increases which "bore no relation at all to changes in their productivity."

Average earnings per worker rose by 97 percent between 1970 and 1976

while the gross domestic product per fully employed worker rose by only nine percent, he said.

In the same period the average real wages of black, coloured and Indian workers showed a "commendable" rise of about 28 percent, compared with 29 percent for whites.

Professor Sadie implied

there should be no more regular announcements of hikes in administered prices such as those of cement, bricks, steel, electricity, food items, no more railway tariff increases to pay higher salaries, no additional taxes to pay higher salaries, no more adding to Government consumption expenditure.



## COMPETING FOR THE CAKE

The distribution of wealth between black and white lies at the heart of many of SA's political troubles. How have different groups fared in the competition for income over the past few years?

Using data collected by Market Research Africa (MRA), the *FM* has calculated that white per capita income rose from R153 a month in 1973 to R182 in 1975; that of Indians from R30 to R50; of coloured people from R23 to R35; and of Africans from R9,50 to R12,50.

Black cash earnings have risen proportionately more than white over the two-year period (67%, 52% and 32% for Indians, coloured people and Africans respectively) compared with 19% for whites. But in absolute terms the gap between white and African earnings has actually grown from R143,50 in 1973 to R169,50 in 1975.

According to MRA, the percentage of the national cake earned by each group in 1975 was: whites comprising

16,8% of the total population — 67%; Africans 23%; coloured people 7%; and Indians 3%. Since 1968, the white share has declined by 6,6% while the African, coloured and Indian shares have grown by 4,4%, 1,5% and 0,6% respectively.

By comparison with the white share, in the UK today the wealthiest 15% of the population receive about 35% of total income. And even in France, described in an OECD report as "the country with the most unequal distribution of incomes among the industrialised nations", the top 15% of households enjoy about 47% of the nation's total private resources.

Based on MRA figures the white slice of the SA cake declined at an annual average rate of 1,4% between 1972 and 1975. If this trend continues it will take another quarter of a century before SA's income distribution — at least at the top end — is the equivalent of the UK's today (ie SA's white population receiving 35% of total income).



Up from R9,50 to R12,50



# Land of the (white) lotus eaters

As economic conditions worsen white living standards surely suffer. Just how rich are SA whites today?

FIN MAIL

6/5/77

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*Basking in the sun, the men drink their beer and loudly discuss politics and rugby. Their wives, lazing at the pool, admire the sprawling expanse of lawn carefully tended by an African servant. Another servant, immaculate in uniform, watches the steaks sizzling on the fire. Two maids lay out the array of salads to accompany the braai.*

**The white** South African way of life — according to prevailing mythology, at any rate.

But for almost three years, the economy has been in a slump, and shows little sign of recovery. Has the country remained the land of the (white) lotus eaters?

"White South Africans are significantly worse off now than they were five years ago," claims Bill Glasgow, MD of SMB Management Services, a company specializing in remuneration problems.

Gross salaries have largely kept pace with the 68% rise in the cost of living between 1972 and 1977, Glasgow agrees. Indeed, official statistics show that the average gross earnings of the 500 000 odd white workers in the mining, manufacturing, construction, electricity and transport sectors rose by some 70% over that period — from R377 to R643

monthly.

But gross salaries are not disposable incomes. Buying-power relates to after-tax earnings. And higher pre-tax earnings shift taxpayers into higher tax brackets,



Salary expert Glasgow . . . we're worse off than we were

where they pay higher marginal tax rates. Furthermore, with higher earnings, tax abatements fall away (usually vanishing when gross income exceeds R20 000), so adding to the tax burden.

The result is that, although the gross salary of (say) a personnel director has almost kept pace with inflation, increasing by 65% (from R9 350 to R15 400) between 1972 and 1977, his real (discounted for inflation) after-tax earnings have actually declined by 11%. In fact, Glasgow shows that of eight jobs randomly chosen by the *FM* (ranging from chief executive to copy typist), only a skilled artisan (whose pre-tax salary has risen by 91% since 1972, and now averages R8 200) achieved any substantial real increase in after-tax income — a rise of 8,7%. The typical chief executive in a R10m company now has 18% less buying power than in 1972, although his before tax salary has become a not-insubstantial R28 000, excluding perks.

However, the fact that SA whites are poorer today (in real terms) than five years ago, certainly doesn't mean that they are among the paupers of the world. How do SA living standards compare with those of the industrialised countries?

International comparisons of wealth are notoriously difficult. For example,

## HOW LONG MUST THEY LIVE?

	Chief executive				Skilled labour				High Skill labour				Copy Typist			
	SA	USA	France	UK	SA	USA	France	UK	SA	USA	France	UK	SA	USA	France	UK
Food.....	28 m	7 m	39 m	48 m	66 d	66 d	62 m	156 m	21 m	61 m	62 m	20 m	158 m	167 m	200 m	266 m
Petrol (10 litres).....	20 m	2 m	22 m	26 m	49 m	4 m	46 m	54 m	6 m	27 m	26 m	14 m	6 m	22 m	115 m	146 m
Fridge (150 litres).....	22 h	4 h	16 h	19 h	7 d	5 d	22 m	27 m	2 d	10 m	11 m	4 m	1 d	5 d	11 d	13 d
Small car.....	43 d	9 d	29 d	40 d	103 d	26 m	33 m	147 m	1 d	30 m	26 m	12 m	1 d	34 d	147 d	227 d
67 cm colour TV.....	10 d	12 h	8 d	8 d	22 d	11 m	10 m	27 m	1 d	13 m	12 m	7 m	1 d	25 d	42 d	46 d
Cigarettes (200).....	29 m	6 m	23 m	66 m	5 m	6 m	30 m	27 m	1 m	6 m	6 m	2 m	1 m	10 m	13 m	36 m

CAR: A Mini in SA, UK and France but - One company in each

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because of differing income tax systems, life insurance in South Africa is more expensive than in the UK — there premiums are wholly tax-deductible, here they rank as a tax abatement, which can disappear.

Nor are differing direct tax structures the only tax problem which complicates international comparisons. Another arises from differing levels and systems of *indirect* taxation, which reduce even further what is left of pay after direct tax has been deducted. A meticulous comparison would also take into account the value of services the country offers its people — such as free medical care and all the other attributes of a “welfare state” in the UK and the Netherlands, which are not forthcoming in SA.

These difficulties notwithstanding, the *FM* has drawn on various indicators in an attempt to illustrate (white) SA's relative level of affluence. Of course, the exercise is in a sense artificial in that it involves comparing the richest 20% of SA's population with the entire population of other countries.

Nonetheless, the indicators show that the average American is better off than the average white in SA. For example, while there are 478 passenger cars and 657 telephones for every 1 000 inhabitants in the USA, in SA there are only 246 cars (a conservative estimate) and 203 telephones per 1 000 whites.

Furthermore, while only 10% of US

families earn below R500 per month, fully 42% of SA white households earn below this level. But earnings alone do not provide a basis for comparing living standards in different countries. Price differences must also be taken into account.

Calculating the time a worker in a given job must work to earn enough to purchase a specific item in different countries takes account, at least, of tax, price and salary levels. The local MD (on our R10m annual turnover company) takes home (after tax) the equivalent of R8.25 per hour (R17 440 per annum). His US counterpart receives R42.25. So for a kilo of rump steak (R3.48 in SA) our SA MD must work for 25 minutes, while his American equivalent need work only 5 minutes (a kilo of rump costing R3.36 in the USA).

The table presents a wide range of such comparisons. From these it is clear that, at least as far as food is concerned, South Africans certainly aren't too badly off. "But", says Phil Samuel's *Chinoyat Tonder*, "it is only food that is still cheap in relation to Europe. In general, the affluence is simply a myth, one which Pretoria is loathe to debunk."

Nonetheless, the weight of evidence points to SA's after tax earnings representing a greater command over resources than in the UK, though less than in the US.

Thus, although the S.V. high school teacher must work 19 days more than his

French counterpart (125 days) to buy a BMW, the UK teacher must put in 54 days more before he can buy the car.

A key aspect of the easy life-style of N.A.'s whites is, of course, readily available and inexpensive household help, which makes the leisure hours of the white madams of the suburbs just that much more leisurely. A woman domestic servant on the Reef costs her employer not much more than R60 a month; her equivalent in France would cost more than four times as much.

This brings us to another vital point. While white South Africans might take pleasure in their relatively affluent international status, and at the same time bemoan their declining domestic living standards, perhaps the most important comparison to be made is neither of these. How do white earnings compare with those of their black South African counterparts?

That white per capita earnings are fourteen times higher than those of Africans is cause for cold comfort (see page 34). A more equitable distribution can only be achieved if whites are prepared to forego some of their wealth.

If this happens white earnings will no longer be in the same order of magnitude as those of the Western industrialized countries. And then some whites, like colonies of ants, will no doubt forsake their fortitude and seek sweeter fruits in distant corners of the earth.



# Be responsible with pay claims—union

9/5/77

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**Labour Reporter**  
South Africa's leading spokesmen for organised labour have called on their affiliates and unaligned trade unions to "act responsibly when formulating and pressing wage demands."

The call—by Mr Arthur

Grobelaar, general secretary of the 210 000-strong Trade Union Council of South Africa (Tucsa) and Mr Attie Nieuwoudt, President of the 200 000-strong Confederation of Labour — included a warning to businessmen to act responsibly too.

Organised labour found it increasingly difficult to put up with price increases, they said.

Both labour leaders made clear that they were opposed to any kind of wage freeze.

"I deplore the campaign on the part of em-

ployer organisations and economic academics to blame the workers for South Africa's economic difficulties," Mr Grobelaar said.

He and Mr Nieuwoudt spoke after they and leaders of their organisations had talks with the Minister of Labour, Mr Fanie Botha, in Pretoria last week.

The talks took place against the background of rising labour pressure for pay increases to restore some of the buying power eroded by inflation.

Leading employer organisations have shown themselves averse to granting any relief.

Mr Grobelaar said far too much publicity had been given to "prenegotiated stances."

Mr Nieuwoudt said: "We have acted in a disciplined manner in the past and shall continue to do so. But for heaven's sake let's put an end to price increases. South Africa's future is at stake for all of us."

## FINANCE

# Whites must bear cost of closing gap

— BUREAU

**THE White population must bear the cost of closing the wage-gap and be satisfied with lower wages if the upward pressure on the average wage level is to be relieved in South Africa, says the Stellenbosch University Bureau for Economic Research.**

This is one conclusion of a study of the relationship between labour and capital in the country taking into consideration the variables of wages and rates of interest.

The ratio average wage divided by interest rate should indicate the wealth of the country, the bureau says.

It found that in 1960 — 1975 wages had shown large increases relative to long-term interest rates, but without the effect on the country's economy that should have followed.

Because of the increase in wages the ratio implied a higher level of wealth than actually was the case.

### IMPLICATIONS

The illusion thus created had serious implications for the economy's balance of payments, rate

of inflation and level of employment.

The falling gold price, higher oil price and increased military expenditure had balanced the ratio during the period and given a false impression of what the country could afford.

As a result, the balance of payments went into much deeper deficit and the inflation rate increased.

### FALSE RATES

In anti-inflationary bids and in attempts to correct the imbalance on the foreign trade account, the rate of employment had suffered as an indirect result of the false ratio to which the former two problems could be ascribed in the first place.

A flexible rate of interest according to

changes in salary scales is necessary to provide a balanced picture of the state of the country's economy, but 'the rate of interest would be better able to perform this task if the authorities were not obliged to obey some limit to the rate.'

In view of the fact that strong forces are working for the closing of the wage gap between different groups in South Africa, the given ratio should not be ignored.

Changing the figures in this ratio would involve a certain expense to the economy as a whole and the Whites would have to bear the cost. By accepting lower wages Whites would not exert as large an upward pressure on the ratio as would Blacks demanding significantly higher wages.



# Loubser's pay-claim warnings

12/5/77  
KATAL Mercury Reporter

IT COULD cost R280 million a year to meet wage demands, the general manager of the Railways, Mr. J. G. H. Loubser, said yesterday of claims being made by railway workers in Durban and Kimberley.

Mr. Loubser said in an interview before the opening of the Salaried Staff's congress in Kimberley that salary demands should be "as realistic as possible."

In Durban delegates were expected to insist on increases of 35 percent while others want a flat increase of R100 a month.

Mr. Loubser said that under the anti-inflation manifesto the association was entitled to request a minimum 23.7 percent increase in July.

Should this be granted it would cost the Railways R250 million and they would be obliged to consider a loan or an increase in tariffs. Added to this, increases to non-White staff could increase the figure to R280 million.

But in his opening address in Durban the president of 21 500 artisans, Mr. J. Zurich, attacked the Minister of Transport for making a similar statement in the Senate.

"The minister's statement was uncalled for," he said. He was shocked when the minister had said that if increases were granted tariffs would have to be raised.

"Does this mean he has already made up his mind not to grant wage increases and that he is going to force us to go to arbitration?"

## Surprise

It had come as a surprise that no provision had been made in the Railways budget for increases as the minister had admitted that Railways workers needed increases, he said.

Mr. Loubser cautioned that the public had recently been hit with tariff increases.

"One must bear in mind that you can't hit the public to the point of making them punch-drunk."

The consumer had reached the stage where price increases were being resisted and this meant a drop in the use of rail services.



# Swart lone kan boerang

UIT die Vrystaatse Universiteit word daar dié week nog 'n stem gevoeg by die groeiende akademiese koor wat waar-

sku teen die gevare wat spruit uit die huidige pogings om die lone van Suid-Afrika se swart werkers op te stoot.

Die waarskuwing, reeds uit soveel oorde geuiter, word met al hoe groter dringendheid herhaal: Tot op hede is die swart lone in reële terme reeds met by die 39 persent verhoog, en die proses wat soveel boemeranggevre inhou, duur voort.

Dr. Van Breda, wie se profeskif deel gevorm het van 'n projek om Suid-Afrika se swart arbeidsmag beter te benut, sê dat daar geen wetenskaplike gronde is dat hoër vergoeding vir die swart werker motiverende waarde het of op lang termyn tot tevredenheid sal lei nie.

Sy pleidooi om groter vaardighede as voorvereiste sluit aan by dié van prof. P. J. van der Merwe, mede-hoogleraar in ekonomie aan die Universiteit van Pretoria, dat die sluiting van die loongaping gepaard moet gaan met 'n „massale” volwasse onderwysprogram met die klem op basiese letterfheid en

Tussen die politieke noodsaaklikheid om swart lone te verhoog en die ekonomiese faktore wat bepaal wanneer 'n man 'n hoër loon verdien, is 'n gaping wat al hoe groter word. Op die ou end kan die swart werker elf die meeste verloor, maan 'n akademikus

## Dink Weer

Onder redaksie van  
Hykie van Reenen en  
Andries van Wyk

wat daarmee verband hou, sê dr. Van Breda. Daar is nie afdoende bewys dat die swart werker deur hoër lone gemotiveer kan word nie. In die teendeel dui navorsing daarop dat hierdie moontlikheid gering is. Geld, sê dr. Van Breda, kan ten beste op kort termyn tot groter tevredenheid lei. Dit is bewys in gevalle waar hoër lone ná stakings betaal is.

Die meriete van die oproepe om verhoogde swart lone moet opgeweeg word teen 'n paar heel praktiese aspekke. Voorspraak vir hoër lone moet hulle in omdad dit

verwagtinge skep waarvan nie voldoen kan word nie. Die mens streef voortdurend na sielkundige gemak en dis logies dat hy sy ongemak sal probeer verlig deur te staak, te betoog, brand te stig of sy werkgewer te ondergrawe. Dit is baie onwaarskynlik dat hy verligting sal soek deur hard te werk.

Die gehalte van swart arbeid maar dit moeilik om 'n sterk saak uit te maak vir hoër lone. In 'n land- wye studie w



Daarsonder, het die professor in Volkswaare Ekonomiese Soeklig ge- DR. WILLIE VAN BREDA ... bedenkinge oor hoër lone vir Suid-Afrika se swartes.

ondernemings ondervra is, was die enkele grootste probleem van die werkgewers juis die swak gehalte van applikante. Daar is te veel swartes wat toustaan om laer poste en te min met vaardighede wat hoër vergoeding regverdig.

'n Organisasie wat werkers nie volgens produktiwiteit vergoed nie, bevind hom in dieselfde gevaarposisie as 'n onderneming wat te veel werkers in diens het. In uiterse gevalle loop sulke ondernemings die gevaar om onder te gaan. Dis in belang van die swart werkers dat dit nie gebeur nie.

Elke onderneming het 'n maksimum-bedrag wat aan lone en salarisse afgestaan kan word. Salarisverhogings impliseer dat hierdie bedrag tussen minder werkers verdeel moet word indien die onderneming sy markposisie wil handhaaf. Wat is meer gewens? Dat 'n kleiner groep swartes 'n verhoogde lewenspeil voer, of dat die maksimum-aantal swartes van 'n inkomste verseker bly?

Wat vergoeding betref, kan swart werkers nie as 'n homogene groep behandel word nie. Die stamgeoriënteerde werker huldig 'n duidelik verskillende verwagting oor die belangrikheid van geld as die meer Westersgeoriënteerde werker. 'n Coreenstemmende verskynsel geld onder werkers in die verskillende vergoedingsklasse.

Hoër vergoeding kan in hierdie stadium net minder werkgeleenthede tot gevolg hê.

Pleks daarvan om op „onverantwoordelike wyse” by mense verwagtinge te wek en hul emosies gaande te maak, behoort die swart werker aangemoedig te word om vaardighede te bekom wat hoër vergoeding verdien, sê dr. Van Breda.

Die feit dat die swartman tradisioneel nie dieselfde benadering tot werkas die Westersling het nie, kan nie onbepaald as verskonin aangevoer

word nie. 'n Dringendheidsbesef en die regte ingesteldheid tot werk moet by hulle tuisgebring word.

Op elke werkgewer rus daar ook die verantwoordelikhed om die potensiaal van sy swart werkers ten beste te benut en vergoeding wetenskaplik te bepaal. Verhoogde lone behoort dan 'n natuurlike uitvloeisel te wees, sê dr. van Breda.

Die werklikheidskeurigheid en onwilligheid van die swartman om hande- arbeid te verrig, skep 'n kritieke probleem, het dr. Van Breda in sy profeskif bevind. Dit wek die indruk dat die aspirasies van die swart werker te gevorderd is vir sy vermoëns, opleiding en ervaring.

Die nadeel daarvan is 'n ooraanbod vir hoër poste deur onbekwame werkers ten koste van tekorte in ongeskoolde poste.

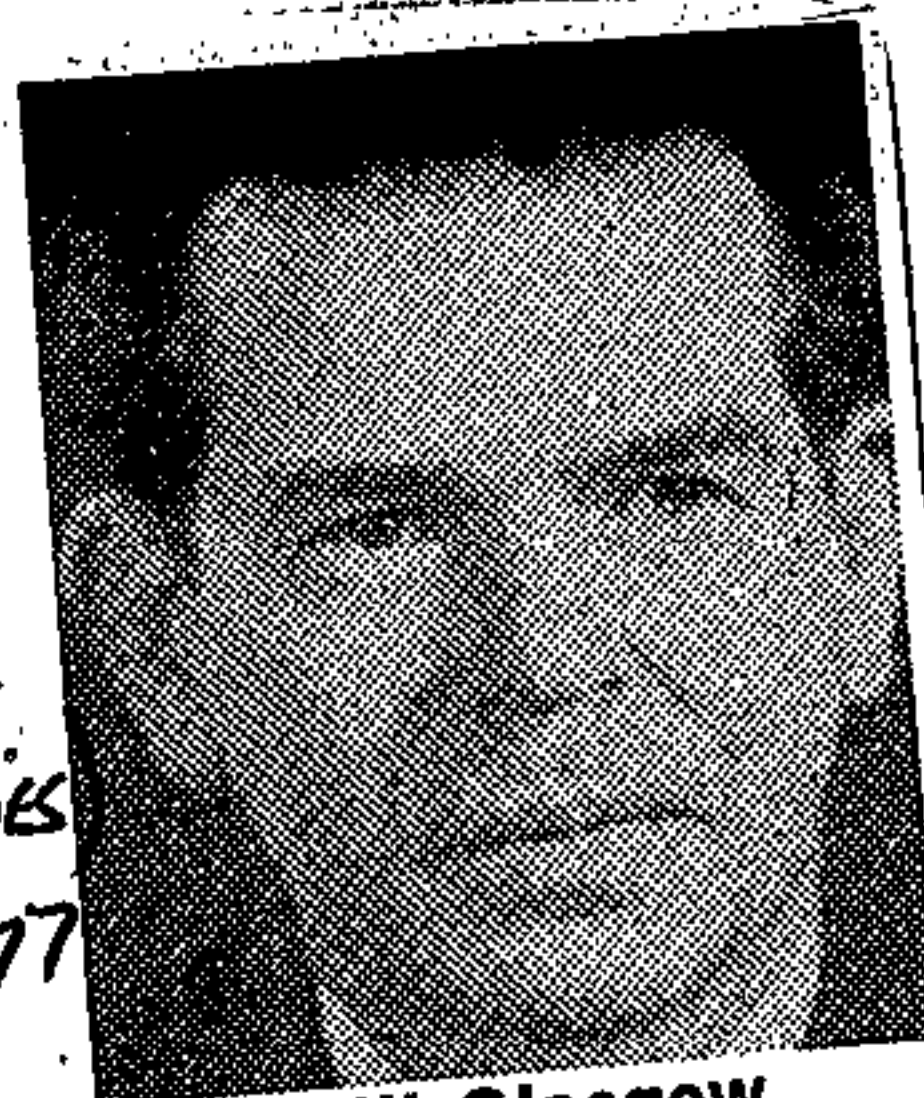
Die swart werker, sê dr. Van Breda, sal moet leer om meer realities in sy strewes te wees en moet besef dat hoër poste net geval kan word deur mense met die nodige opvoeding, opleiding en ervaring.

Die kunsmatige tekort wat eens hierdie verskynsel in die laer poste geskep word, sal waarskynlik daartoe lei dat meer ongeskoolde werkers uit die tuislande ingevoer sal moet word — 'n verskynsel wat reeds merkbaar is.



# Salary survey firms merge

SUN.  
TIMES.  
(BUS. TIMES)  
22/5/77



Bill Glasgow

By TONY KOENDERMAN

TWO MAJOR salary survey services, Peromnes Salary Surveys and SMB Management Services, have joined forces.

The new company, as yet unnamed, is backed by the Standard Bank Group, of which SMB is a subsidiary, and the partners in Peromnes, which include S.A. Breweries, Stewarts & Lloyds, Sanlam, Unilever, Rembrandt and Senbank. Headed by Dr Dawie

Gouws, technical director of Peromnes and Bill Glasgow, managing director of SMB, the joint operation's services will include surveys of salaries and tax implications of top executives, an all-race survey based on job evaluation principles, and others. Dr Gouws explained that the merger will allow each company to concentrate on its own areas of expertise while having the benefits of cross-comparison.

# Unions agree on restraint

STAK 26/5/77  
Political Correspondent

26/5/77

CAPE TOWN — All the major labour movements in South Africa have now reached accord with the Minister of Labour, Mr Fanie Botha, on the handling of any future wage demands with the greatest possible realism and responsibility in present difficult times.

In the past fortnight Mr Botha has held lengthy discussions with the Trade Union Council of South Africa (Tucsa) and the Confederation of Labour, and yesterday he followed this up with talks with the Confederation of Metal and Building Unions.

Through these talks, Mr Botha said in an interview today, he had managed to talk to the representatives of the bulk of organised labour in the country.

"It is really wonderful what co-operation and understanding have been achieved. The most wonderful part of it is that we have spoken for hours on the problems and have reached agreement without any threats being made," he said.

There had been proper consultation and exchange of information, and agreement had been reached "in the interests of the country."

## MODIFIED

The effect of the agreement would be that wage and salary demands would in many cases be held back or modified. No high wage demands would be made.

"This will make a very big difference to the country. It will save hundreds of millions of rands in demands which will not be made immediately," Mr Botha said.

"Such a thing has never happened before. I invited them personally for discussions and we reached agreement. I do not think in such difficult times this would have happened anywhere else in the world."

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16  
23  
436



However, deep labour control the disadvantages of considerable labour shortages. Table 12 shows the percentage of farms finding the labour supply adequate.

NATAL MERCURY 1/6/77

# Muller 'no' to Railway wage plea

4. The  
farmers using

And slightly more labi

Mean	46.2
Totals	

Prod  
Hrs  
ber

Hours worked by farm type

[illegible]

For many the situation was more serious than in the dark days of the depression in the early 1930s, he said.

"There was deep anger among the members at the wage claim rejection," said Mr. Zurich.

"Some demanded that we go to arbitration. We have decided, however, to postpone any further action until we meet again at the end of June."

Sheep/ Daily	1 : 2.3
Daily	1 : 2

The executive's anger was aggravated by the fact that Krygeor, a semi-State organisation had recently been granted a 10 percent wage increase.

"We believe if one semi-State organisation is granted relief then all public sector workers must benefit," said Mr. Zurich.

Mr. Zurich said that since June, 1974, the consumer price index had risen by 38.4 percent. Last year's 10 percent rise in July had reduced this to 28.4 percent — "and this is what we were entitled to. In only 15 percent we took into account the parlous state of the country's finances."

size by farm type

# Black pay policy danger

*Ray Mail*  
Industrial Editor

SOME progress to narrow the wage gap between black and white was made last year when the earnings of whites rose by about 9% while those for blacks increased by almost 18%.

Concern has been expressed, however, that this reduction in the differential has not been properly based on job advancement and productivity improvements of black employees.

Mr Ed Verburg, chief economist of the Johannesburg Chamber of Commerce, joins a number of others who warn that this method of attempting to redistribute income can only be dangerous, resulting in an increase in the number of unemployed blacks.

When profits are declining, few companies can afford to meet demands for wage increases on this basis without also considering the desirability of reducing the number of workers.

To do so would aggravate the unemployment problem, which is being worsened by a growth in the black population that is stripping the generation of employment opportunities.

Mr Verburg says total employment in the main non-agricultural sectors in South Africa grew by 1,4% to 4 100 000 last year. Population, on the other hand, increased by 2,5% to 26 100 000.

White employment opportunities increased by much the

same rate as the growth in population last year. But employment opportunities for blacks increased at a far slower rate.

The private sector cannot afford to adopt a magnanimous paternalistic approach to narrowing the wage gap. South Africa's need to speed up the training of black labour cannot be overstressed, says Mr Verburg.



## Wage gap widens 3/6/77

CAPE TOWN — The average annual salary of blacks has increased in a seven-year period — 1970 to 1976 — from R475 to R1 250.

During the same period salaries for whites increased from R3 244 to R5 800; for Coloureds, R931 to R1 900; and for Asians from R1 044 to R2 300.

The 1976 figure was given in the annual report of the Statistic Council — tabled in Parliament yesterday — as an estimate. Agricultural and domestic workers are excluded.

In terms of the annual increase in black wages they have almost trebled in the seven-year period, but observers point out that there has been a considerable increase in the wage gap between blacks and whites.

The gap between white, Coloured and Indian wages has also widened — and not decreased as frequently claimed by Government spokesman — PC.

# Labour too expensive says Rousseau

DAILEY DAP

3/6/77

3/6/77



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JOHANNESBURG — Businessmen have been urged to consider South Africa's best interests, as well as their individual profits, when making management decisions.

Mr P. E. Rousseau, in his annual report as chairman of Federale Volksbeleggings, said that with rising wages it had been found, purely from an economic point of view, to be cheaper to import expensive capital goods to save on local labour.

South Africa had gradually become relatively over-mechanised, especially if the population was taken into consideration. "It has become far too expensive to create job opportunities".

The country had, however, now entered a new phase in its economic history, and the normal inflow of foreign capital had

been disrupted by considerations not always of a purely economic nature.

"It has now become very important to evaluate domestic economic activity, not only from the purely accounting point of view of realising the biggest advantage for the individual entrepreneur, but also on the basis of what is in the best interests of the country."

If, for instance, foreign exchange could be saved by a lower level of mechanisation coupled with the use of additional labour at a higher cost, ways should be considered of making this alternative economically attractive for the entrepreneur.

"For South Africa, it is now no longer a case of the optimisation of economic activity through the free use of international facilities", he said.

"It is now a question of domestic survival, with special emphasis on the employment of more South African labour resources."

He added: "When reviewing our trade deficit, we often find consolation in the fact that a large proportion of our imports consists of capital goods as opposed to consumer goods."

"I believe that if the approach suggested above were to be applied, we could do without a large proportion of these capital goods."

The cost of labour played an important role, he said, and South Africans must be made fully aware of the basic truth that the standard of living did not necessarily rise when wages and salaries were increased.

"At present the opposite is true. The worker continues to price himself out of the market, his work is taken over by machines (usually imported), inflation continues unabated, and we continue to undermine our economy."

There had been praiseworthy increases in the living standards of black workers in recent years, but now, in the interests of the black man himself, the movement should slow.

"Well-intended humanitarian considerations will have to

give way to economic realities", he said.

"It is good that we should endeavour to make the poorer black man more prosperous, but we must do this on a more permanent basis, and in such a way that this new prosperity will not collapse like a house of cards."

Dr Rousseau said South Africa was still in a recession, and there was no indication that a turning point had been reached. Under these circumstances, the Federale Volksbeleggings Group must continuously review and re-appraise its activities and objectives. — SAPA



# Will there be a wage war?

A chill wind is blowing through the registered trade union movement.

There was a time, not long ago, when wage increases for registered unions were a foregone conclusion, and when government's sympathy for organised (mainly white) labour was a constant complaint of employers.

All that, it seems, is now changing. Employers are digging in, to resist wage demands and government is backing them. Indeed, it set the trend by refusing increases to its own employees. Some union men also fear that it wants to curb their bargaining power.

Matters have come to a head with a series of demands in some key sectors. Civil servants are asking for compensation for two years without substantial increases. Miners and engineering workers have also put in wage claims.

All have been rebuffed. Government didn't even grant civil servants the 5% pay-rise it had half-promised for January. And this week it again rejected a hike for railwaymen. The Chamber of Mines and Seifsa are also strongly resisting pay claims.

## Getting edgy

Mining unionists, indeed, are getting a trifle edgy over the fact that Labour Minister Fanie Botha has not yet appointed a Conciliation Board to settle their pay dispute with the Chamber of Mines. Their application has been on Botha's desk for three weeks now, and some union men suggest that the Labour Department is deliberately delaying the matter. The dispute is likely to be a key item on the agenda when the Council of Mining Unions meets Botha on Monday (see box overleaf).

Government is making no bones about its support for the employers' tough stance. Some unions even see government-employer collusion behind it all: "In one case no less than seven cabinet ministers told employers not to grant increases or cost of living adjustments," says Confederation of Metal and Building Unions (CMBU) secretary Ben Nicholson. "Taken together with the Industrial Conciliation Amendment Bill (FM April 22), it amounts to an attempt to undermine self-government in industry."

There's no doubt, of course, that

employers would have taken a tougher stance even without government's prompting. Times are hard, and many union men recognise this. "The economy's in a mess. You can't really blame employers for digging in," says Tucsá general secretary Arthur Grobbelaar.

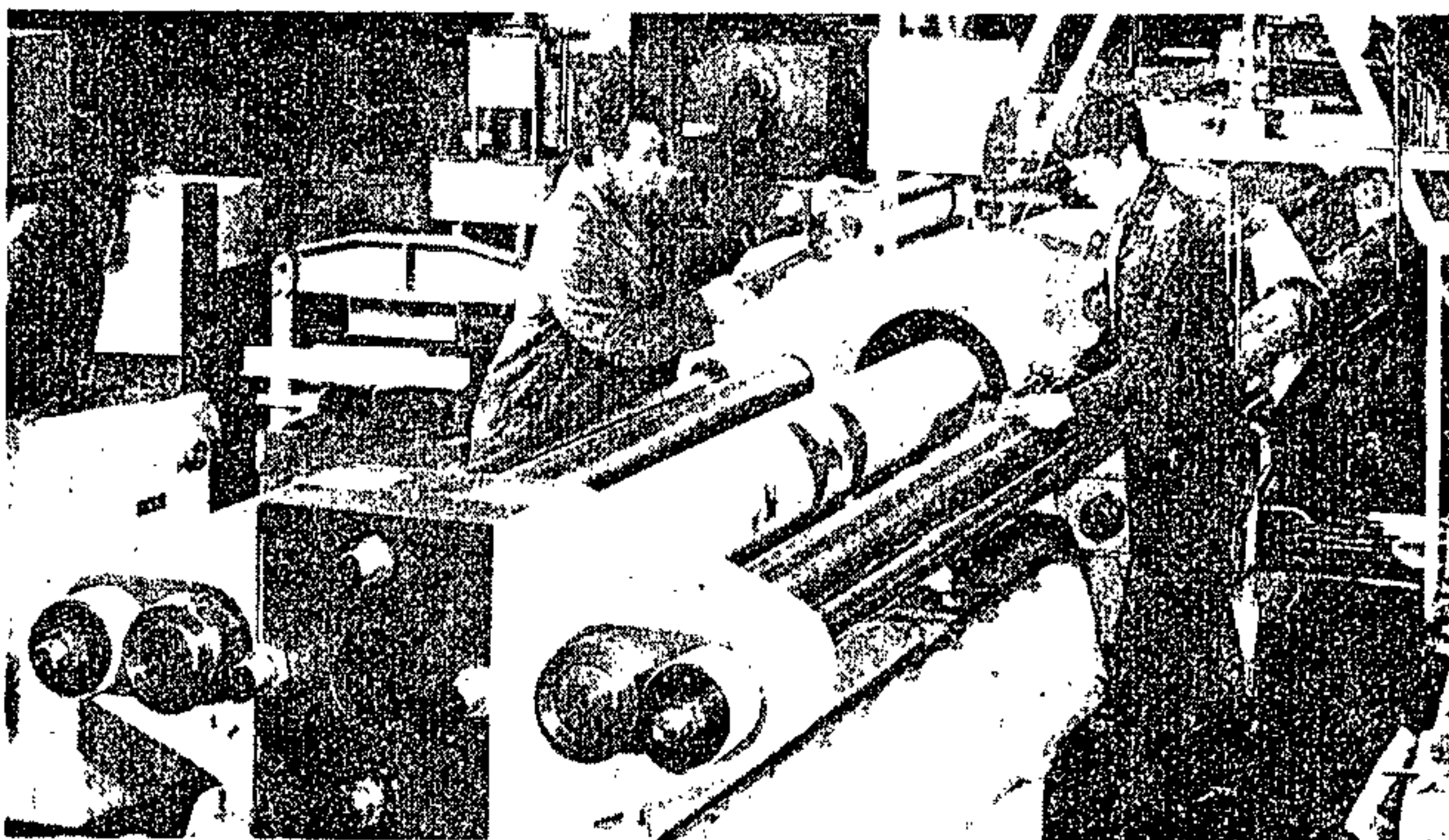
But there's also little doubt that living standards for union members are dropping. Workers lower down the scale have been particularly severely affected.

Says distributive workers' chief Ray Altman, whose members are among the lowest paid non-African workers in the country: "We appreciate that the coun-

believe the time has come to extend to non-Africans the type of in-factory committee system which governs African workers. This, some employers hope, will weaken the position of unions which take a hard-line attitude on the industrial colour bar.

There are also influential men in government circles who believe that "in company" bargaining is preferable to trade unionism — not only for Africans, but for whites, coloureds and Indians as well.

So could it be that government is getting ready to jettison the unions? "They're never going to do anything as



White factory workers . . . their turn to feel the pinch, and it could get worse.

try's in trouble. But to deny relief to the lower-paid is to invite unrest more severe than last year's."

There are still employers who could pay — though obviously not as much as in the past. So there's a definite feeling among trade unionists that government — perhaps realising that things are likely to get worse for a long time to come — is seizing the opportunity to weaken the unions' position.

"The pressure on employers may be part of an attempt to undermine our credibility with our members," says Nicholson. "Government seems increasingly out of touch with our needs. There's no one in Parliament to speak for us."

It's no secret that some big employers

drastic as that. But there's certainly a feeling that it's questioning their desirability," says Grobbelaar.

Some trade unionists say they can see employers seizing on the idea already. Amalgamated Engineering Union general secretary Tom Neethling claims that some employers are "using the economic situation to undermine unions". He says that some employers have been trying to woo men away from the unions and have been persuading them that they should negotiate on the shop floor without consulting their unions.

"They want to bargain with men who will constantly fear losing their jobs. It's definitely an attempt to undercut us," he adds.



## MR BOTHA AND THE UNIONS

In recent weeks, Botha has been meeting the main trade union co-ordinating bodies. Tucsa, the SA Confederation of Labour, and the CMBU have already had their turn, and the Council of Mining Unions is to see Botha on Monday.

The unions promised to curb wage demands. The CMBU, in fact, came away from seeing Botha promising to modify its claims against Seifsa. When they continue their talks with the employers on June 14, the engineering unions are to withdraw their demands for fringe benefit increases for the time being. These make up a large slice of the R250m which Seifsa says the demands will cost. The unions are likely to stick to the pay demands, however, and no doubt see the dropping of the benefit claims as part of a

Nicholson agrees, but warns: "What they forget is that it's easier to organise a strike in a factory than in an entire industry."

There certainly seems to be a government feeling that Arrie Paulus' mine-workers shouldn't be allowed to threaten strike action again. Hence the attempt in the Industrial Conciliation Amendment Bill to outlaw strike ballots on the mines.

Minister of Labour Fanie Botha, however, denies attempting to change the pat-

trade-off.

Botha also agreed to appoint a CMBU man to the recently-announced labour commission.

In return for their promise to curb pay claims, the unions extracted from Botha promises that prices would receive government attention. They also received assurances that government would not intervene in bargaining.

But there's an unease about the meeting in some quarters. "It was all a little too glib," says Nicholson. "And our fears weren't eased by the fact that the Minister assured us that he did not expect us to withdraw our demands altogether and then announced later that he had got us to agree to do so."

Indeed, there's a feeling that the meetings with Botha were an attempt to "soften" the unions for the crunch.

tern of labour relations. He tells the *FM* that he will not refuse to ratify industrial council agreements if they raise wages, and he "emphatically rejects" any suggestion that he is siding with employers. And as far as the unions' demands for price curbs are concerned, "I am on the side of the employees of this country," he says.

Nevertheless, Botha did say last week that SA would have to look for a labour relations system outside the trade union

framework.

Be that as it may, the key question still is: will the unions accept the decline in their members' living standards? Are we in for a full-scale wage war?

It's unlikely. Most of the railway unions, for example, have resigned themselves to their fate. Tucsa men like Altman say they are not even asking employers for more now: "We're just biding our time — there's no point in asking for something we won't get." While the CMBU and the Council of Mining Unions are likely to take a tougher line, it's a fair bet they too will resign themselves to accepting what they can get, however little.

So, while all the unions may not quite endorse Confederation president Attie Nieuwoudt's words to a student audience the other day ("We trust the government. We trust the system. We won't strike"), they are resigned to tightening their belts.

A result of this is the new focus on prices, rather than wages, which all the groupings announced after meeting Botha. "We represent 1,5m people if you include dependants. We aim to use that muscle to be a powerful price watchdog," says Nicholson. "We're putting the ball back in the employers' court. We're challenging them to make sacrifices now," says Grobbelaar.

Tough words. But they're still an admission that the days of large wage increases are over for the moment. And, perhaps, that the status of the registered unions is on the wane, too.



Low — but legal — wages paid by white employers to black workers could in a sense be tantamount to subversion, but the State offers no guidelines, writes Labour Reporter SIEGFRIED HANNIG.

Some South African employers are undermining the country just as effectively as communist subversives.

This sentiment was expressed last year by a concerned member of the public who drew The Star's attention to a worker who earned about R7,50 for a week's labour at a Johannesburg firm.

It is a view which is widely reflected in efforts by responsible employers to create a black middle class, free from frustration and with a stake in society.

The question is how much exploitation of black labour occurs and whether a weekly wage of, say, R7,50 does constitute exploitation.

Two recent instances illustrate the dimensions of the dilemma.

# State lags on black wages

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They also raise the further question of whether the State is playing the role to be expected from it in situations which at least some South Africans regard as undermining.

In the first instance two indignant Witwatersrand employers rallied to the defence of a third who freely admitted having paid black migrant workers as little as R1,52 a week.

None of the three saw why such demonstrably lazy or inept workers — who had left their jobs and begged for money to go home — should be sent home at the employer's expense.

They pointed out that the men were being paid in terms of their contract.

The man who earned R1,52 a week had a turnover of R11,51 for the week and a shortfall of R3,84 in his cash return. Presumably he had bought food with some of his takings. Accommodation was free.

The employers produced records to show that some workers were getting a fair income.

They were not ashamed of the records, which also indicated that the majority of the particular employer's work force, 20 out of 29 workers, earned a weekly wage of little more than R5 on average.

A wage of R5 a week is unusually low even in notoriously exploitive border areas where no wage regulations apply.

Yet there was no legal provision or wage determination which offered these workers relief in Johannesburg, or provided for them to be sent home if they failed to earn a livelihood.

Their employer was a law-abiding man who had kept strictly within the law and would surely have adhered to any guidelines from the authorities if such guidelines had been provided.

Earlier this year several dozen black labourers in another Johannesburg industry claimed to have worked grossly excessive overtime before being faced with a unilateral reduction in wages.

In addition, they claimed, about a quarter

of the firm's black work force was not registered with the Bantu Affairs Commissioner or with the Unemployment Insurance Fund.

They travelled all the way to the Department of Labour in Pretoria to state their case, only to be referred to the department's Johannesburg office. There they were turned away without any statement having been taken.

Statements were taken — after the intervention of one of the few private organisations which take up such matters on behalf of black workers.

Increasing economic pressures and rising unemployment — which also has elicited little State response despite cries for emergency relief for the jobless — create fertile ground for the exploitation of desperate work-seekers.

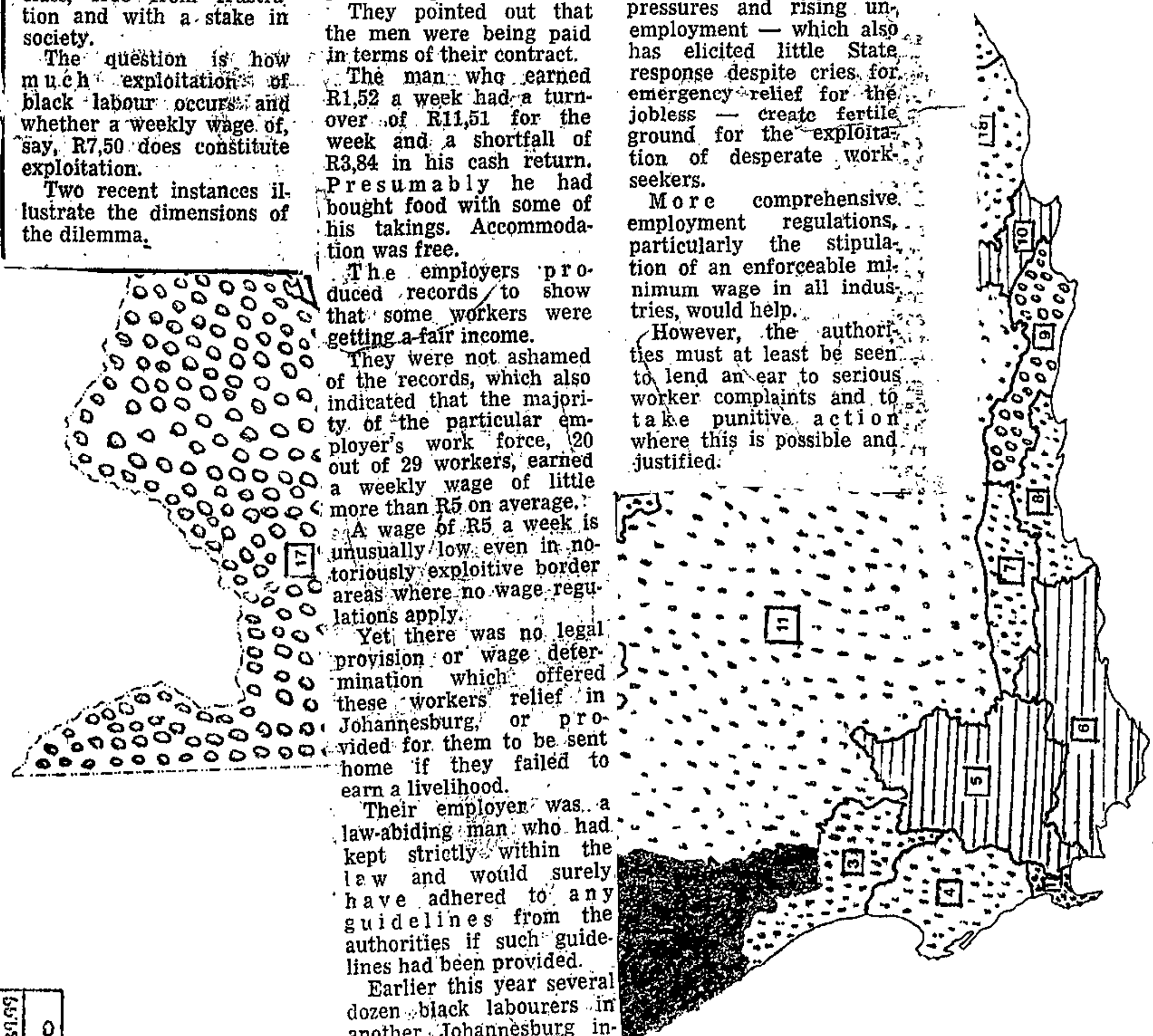
More comprehensive employment regulations, particularly the stipulation of an enforceable minimum wage in all industries, would help.

However, the authorities must at least be seen to lend an ear to serious worker complaints and to take punitive action where this is possible and justified.

MAP 5: DEVIATIONS FROM AVERAGE MONTHLY TOTAL WAGE FOR WHITE REGULAR EMPLOYEES

## ECONOMIC REGIONS

DEVIATION RANGE (%)	< -40	-40 to -20.01	-20 to -0.01	0.01 to 19.99	20 to 39.99	> 40
	0.0	0.0	0.0	0.0	0.0	0.0





FIN. MAIL 10/6/77

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# 'I won't interfere in bargaining' — Fanie Botha

Labour Minister Fanie Botha has a lot on his plate right now.

Labour legislation is coming under scrutiny from his recently announced Industrial Legislation Commission; attempts to widen the scope of the works and liaison committees are causing controversy; and registered unions are complaining that government is out of touch with their needs.

The *FM* recently put questions on some of these issues to Botha.

**You have asked the trade unions several times to hold back on wage claims. Do you believe that no claims should be granted at present, and is your Department taking any action on this issue?**

I have appealed to organised labour to exercise restraint. But when agreements which have been negotiated at industrial council level are submitted to me for approval, it would be unwise for me to reject such agreements because they have been arrived at by the system of collective bargaining and carry the stamp of approval of both employers and employees.

Should I refuse to approve agreements, industry might be left without wage regulation, which could lead to labour unrest.

**Will the proposed amendment to the Industrial Conciliation Act be proceeded with in the light of trade union objections to it?**

When I became Minister of Labour I made it quite clear that I would consult with organised labour before labour legislation is introduced. In the circumstances the proposed legislation was gazetted for comments.

From Press reports I think you

should be fully aware of the unions' attitude towards the legislation. However, I will be guided by all the comments received, including those of organised employers.

**Registered unions have complained that you are siding with employers against them. How do you react to this?**

I emphatically reject this accusation. My replies to your last two questions substantiate my views and I have nothing to add, except to reiterate that these allegations are totally unfounded and without substance.

**How do you react to criticism of the Bantu Labour Relations Regulation Amendment Bill? Shouldn't the Bill have been shelved in view of the appointment of the commission?**

You may have noticed that the Bill was taken through all its stages in the House of Assembly on May 20 with the support of all parties in the House. Furthermore, the Act is included in the commission's terms of reference. In the circumstances I don't deem it expedient to elaborate any further until I receive the commission's report.

**The Industrial Tribunal is reviewing job reservation at present. Does this mean that the commission will consider policy changes in this regard?**

I have said that I didn't want to give the commission a lengthy term of reference as far as work reservation is concerned. I do nevertheless want to give the assurance that work reservation is indeed included in the commission's terms of reference. I have also instructed the Industrial Tribunal to investigate the existing position but, since the Tribunal is still engaged in

doing this, I can't say what the outcome will be.

**What measures are being taken to reduce the black-white wage gap?**

In the first instance I wish to emphasise that labour legislation which regulates wages does not permit of discrimination on a racial basis. Minimum wages are prescribed on an occupational basis and everybody must be paid such wage irrespective of race.

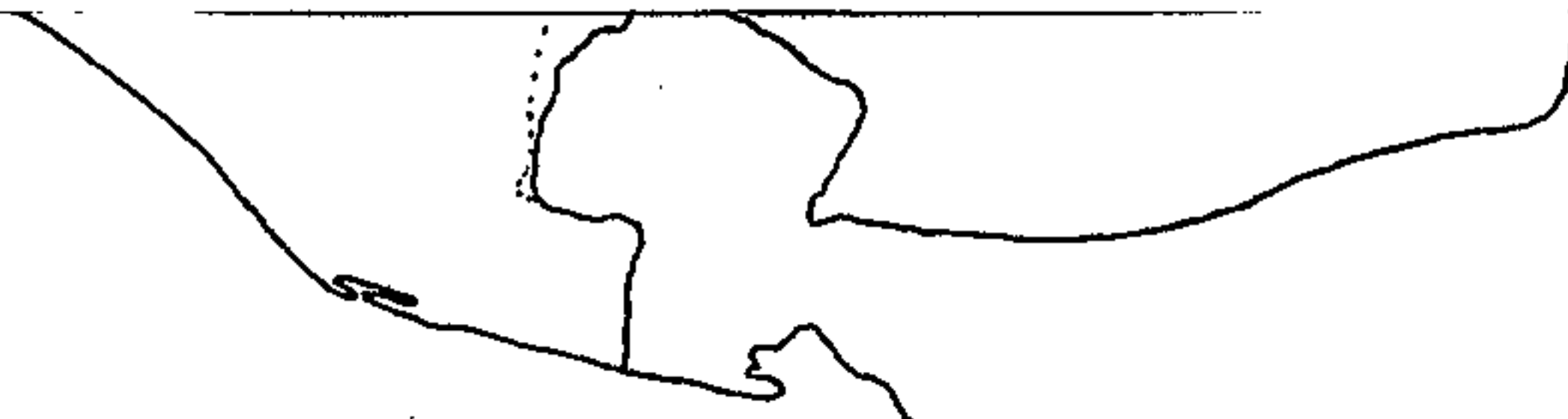
It is therefore the task of trade union and employer representatives to negotiate wages at industrial council level for all categories of workers in the respective industries. Black employees also enjoy representation at industrial council meetings by virtue of the machinery of the Bantu Labour Relations Regulation Act. In so far as Wage Board investigations are concerned, the Board is obliged to take various factors into consideration when it recommends wages, the most important of which is the payability of the industry should its recommendations be implemented. Wage Board recommendations cannot discriminate on a racial basis. Black employees may also attend Wage Board sittings and make representations.

In sectors which are not subject to industrial legislation, the responsibility to close the wage gap rests upon the shoulders of employers.

As far as the government is concerned, you may have noted that the Minister of the Interior has dealt with this matter during his Vote. The government is already setting the pace and the Prime Minister has already instructed the Public Service Commission to further investigate the position.

TERN CAPE

Source: Agric. Census, Dept. Statistics





Source: Agric. Census, Dept. of Statistics



File mail 10/6/77

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### STREAMLINING SALARY SURVEYS

With the economy in dire straits, demand for up-to-date research and advice on pay and employment problems is greater than ever.

One result of this is the recent decision by SA's two most experienced groups in the remuneration research field, Dawie Gouws' Peromnes Salary Services and Bill Glasgow's SMB Management Services, to set up a joint operation which, they say, aims to provide "the most comprehensive coverage of the SA pay scene yet."

Peromnes has been specialising in job evaluation surveys for some time, and now conducts one of the largest in

the world. Glasgow, first in a joint venture with UAL, and now at SMB, introduced a nationwide remuneration survey based on defined job categories into SA for the first time.

The idea of the merging of interests is that each group will be able to concentrate on its own speciality while being able to compare and cross-check information.

The two organisations say that what is most worrying to businessmen right now is how to reconcile various employment policy factors with running a profitable operation in the present economic climate. Among the

major problems are: the provision of "at least a liveable wage" at the lower end of the job ladder, eliminating the wage gap, and black job advancement.

To cater for these problems, the two groups will be offering a number of services, including an in-depth study of executive pay, a salary survey based on job evaluation principles, special studies of starting salaries and the running of seminars on pay problems.

Companies backing the joint venture are the Standard Bank group, SABreweries, Stewarts and Lloyds, Sanlam, Unilever, Rembrandt and Senbank.

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MAP of SOUTH AFRICA showing  
THE EASTERN CAPE & its sub-regions

## Last year's drop in wages

JOHANNESBURG — Real incomes in South Africa are being squeezed and, if allowance is made for inflation of 11,1 per cent in 1976, the incomes of workers in the non-agricultural sector actually dropped by nearly one per cent last year.

Writing in the latest issue of Barclays Business Brief, the bank's chief economist, Dr Johan Cloete, says that, in percentage terms, whites suffered more than blacks.

Real incomes — and hence the standard of living — of white workers dropped by two per cent last year, while non-white incomes rose by 0,7 per cent.

Dr Cloete points out that a slow-down in the rate of increase in real salaries and wages has a detrimental effect on economic activity, and particularly on private consumption expenditure.

It is, accordingly, not surprising to find that private consumption expenditure last year increased by only two per cent against a rise of three per cent in 1975.

And, with real salary and wage increases generally falling behind the inflation rate, even this smaller increase in consumption expenditure last year could only have taken place as a result of workers digging into their savings.

National income statistics show that personal savings for the nation as a whole dropped by 9,7 per cent in real terms.

— SAPA.



"It is easier to close the wage gap now rather than later," a Johannesburg employer tells The Star's labour reporter, SIEGFRIED HANNIG. But there is more to a non-discriminatory pay structure than meets the eye.

# Closing the pay gap—a company shows how

Ben Venter.

"We shall be able to present such a person with a rational explanation."

## Evaluation

The basis of such a logically consistent pay structure is job evaluation which assesses the skills required in every job. After that comes alignment of pay according to skill levels.

Since the adjustments involve pay increases, a substantial increase in labour costs is inevitable.

However, the exercise introduces economies and creates opportunities which make it possible to recoup much of the increased cost.

A unified pay structure eliminates dissatisfaction over pay differences, counters "leap-frogging" pay demands within the firm and facilitates the administration and control of wages and salaries.

The job evaluation shows up jobs which can be filled by lower skilled men and provides opportunities of job enrichment or promotion for employees whose skills exceed those required in their present job.

Closing the wage gap is a phrase that is tossed about freely these days without much thought being given to what it really involves.

In the final analysis, closure of the wage gap stands for the elimination of all pay discrimination based on race and sex. And that is easier said than done if the company wants to derive the benefits inherent in such a move.

That is the conclusion of men who devised such a strategy for a Johannesburg based company.

The upshot of the exercise is that Nordberg Manufacturing Company—an engineering firm employing about 300 whites and 400 workers of other races—goes on a "unified pay structure" in January.

It means that the firm's salaries and wages will be based purely on the skills of the employees, though leaving room for performance incentives.

In effect, the disparities arising from the glut of unskilled black labour and from the present absence of black bargaining power are being wiped out.

As blacks move into jobs previously reserved for whites, their pay rates automatically coincide with those of whites on equal skill and performance levels.

"Indeed, any employee of any race will be free to ask us why he or she is getting, say, R50 a month less than a colleague or superior," said Nordberg's personnel manager, Mr

STAR  
2/7/77

Next January the process culminates in a unified pay structure which raises the lowest wage close to R1.10 an hour or almost R50 a week.

"The process depended primarily on the firm commitment of our management," said Mr Venter. "In fact our five top executives have devoted about one week each to this matter during the past 18 months."

The effect of the final switch next January will be a 12 percent rise in the company's current payroll. All previous adjustments were within the restraints of the anti-inflation manifesto.

## Decisions

Nordberg's non-discriminatory pay structure hinges on two important management decisions:

● The company decided it was morally indefensible not to pay the rate for the job.

● The company decided that it could afford to wipe out pay discrimination.

"It was only a question of time, and we felt time was running out on us," said Mr Tony Holmes, Nordberg's general manager.

"With every general pay increase, the gap between skilled and unskilled workers widens and becomes more difficult to close. It is easier to close it now rather than later."

Mr Coghill stressed that this should not be permitted to distort the ratio between pay and skill.

"Serious dissatisfaction is possible when increases in the lowest wages put unskilled workers into the pay range of semi-skilled workers in the same firm," he said.

He regards a rational system of job evaluation as essential for most companies with more than 500 employees, simply for the purpose of efficient payroll administration.

Nordberg's movement towards a non-discriminatory pay structure started more than two years ago when the firm began raising its lowest wages from the industry's minimum towards a level currently exceeding the "supplemented living level" calculated by the Bureau of Market Research of the University of South Africa.

This month (July) the firm eliminates the gap between employees of different races doing work of comparable skill.

Finally, the increased labour costs put additional pressure on management to promote productivity and introduce economies where possible.

"In the average South African company the cost of a unified pay structure is likely to exceed its financial advantages," said Mr Charles Coghill, lecturer in organisational behaviour, who helped to devise Nordberg's new pay structure.

He has written a case study on it for the Wits Graduate School of Business Administration.

## Expense

"Some firms simply cannot afford the expense involved, though they may be able to make some adjustments."

"Such firms should look first at the two crucial areas—the raising of the lowest wages up to the minimum living level and the narrowing of the pay gap in jobs where whites and blacks are doing work at the same skill level."

189  
2 348

# Training centre for blacks open

East Rand Bureau

Black wages had increased rapidly over the past four years but had not been accompanied by increased productivity, Mr C S Barlow, chairman of Barlow Rand Ltd, said at Benoni yesterday.

He was opening the new R300 000 in-service training centre for blacks at Apex.

Mr Barlow said this had had an inflationary effect. He felt one of the main reasons for South Africa's poor productivity record was poor training.

People had not been taught in a systematic fashion. It was here that in-service training centres could play a significant part in helping South Africa overcome its productivity crisis.

He said the current recession had meant there was availability of people for jobs. This could tempt industrialists to slacken training efforts but that should not be allowed to happen.

~~2348~~

2 348



intrusion, the Rhodesian Chamber of Mines sought and obtained a permit for 5 000 workers as a 'counterblast' to the Union's initiative. This, now open, international reserves placed Southern Rhodesia in a 'free flow' (so-called

'voluntary' workers. The probability existed of more costs of protracted and/or

regular that 'O' resource compete widening in the pay gap. However, various factors have a bearing on this situation.

The 440 000 black mine-workers on South African gold mines and collieries will get a six-percent pay rise next week, increasing the starting wage of an underground novice from R65 to R68.90 a month.

At present the average monthly wage of black mineworkers is R102.40 plus free board and lodging.

Their percentage rise is estimated to be slightly higher than the percentage rise in the average pay rate of white trade union men who are getting R25 a month more.

In rands and cents this amounts to a substantial period.

By the end of the war, however, Southern Rhodesia was facing a 'labour drain' to South Africa on two fronts in its 'traditional' labour 'catchment' area. The outflow via W.N.L.A. from Nyasaland increased and the 'clandestine labour' exodus gathered momentum from Southern Rhodesia itself.

In 1944 the Chief Native Commissioner's Annual Report recorded that there were 14 000 'clandestine migrants' inside the Union in addition to which it was believed there were 9 000 similar workers from Nyasaland and 5 000 from Portuguese East Africa and Northern Rhodesia (though these latter groups need not all have come via Southern Rhodesia).<sup>9/</sup> In terms of annual increases in Southern Rhodesian demand for labour, this amounted to a substantial drain of labour-power. In 1945 it was estimated that the total 'clandestine' non-indigenous migration from Southern Rhodesia to the Union was 20 000 workers.<sup>10/</sup> In addition, there was the 'clandestine' indigenous flow to be considered as well as the net outflow of authorised migration of local and foreign workers to the South (a minimum of 3 508 in 1945 alone).<sup>11/</sup> The fact that significant numbers of women accompanied men in this exodus can be taken to imply that either long-term or permanent migration was anticipated in the case of a considerable number of authorised indigenous migrants. This judgement would tend to be confirmed by the fact that the government bus, based in the Gwanda District for the purpose of bringing /'clandestine' .....

Everything points to a head-on collision between the drive to improve the black man's "quality of life" and the need to ret ain and create jobs amid rising unemployment.

It seems pointless to create a happy black middle class when dissatisfaction mounts with unemployment among the less privileged.

Experts say unemployment is almost certain to rise for another five years. Dr W J de Villiers, chairman of General Mining, says it will be a "superhuman task" to control it without reductions in population growth.

And unemployment in South Africa does not entail automatic subsistence incomes as in countries such as the United States, Britain and Germany.

Should employers really abandon efforts to narrow the wage gap and to pay equal wages for equal work?

Is it social responsibility to raise wages to a minimum living level such as R135 a month when this requires retrenchment of workers?

There are no simple answers when economic logic clashes with social justice.

Some employers may argue that no amount of economic logic can save South Africa — politically or economically — as long as current tensions persist.

They may insist on "righting the wrongs" at

# Problems in STAR 8/7/77 narrowing wage gap

It seems pointless to create a happy black middle class — in a bid to improve their quality of life — when this could be at the expense of the less well-off, writes The Star's Labour Reporter, SIEGFRIED HANNIG.

the cost of a temporary upsurge in unemployment and prices.

However, there are two ways in which employers can promote racial goodwill without aggravating unemployment or inflation:

① One is in-service training which will improve the workers' skill and earning capacity simultaneously. Public training centres have been established for this purpose, and the employer can recoup 98 percent of black training costs by way of tax concessions, not to mention the productivity gain.

② The other way of promoting goodwill between white employers and black workers is through negotiation. Through the workers' own trade union or through

company committees, the employer can give the workers a say in the distribution of profit and losses.

When convinced of the necessity, workers have been known to accept reduced income happily in preference to retrenchment. Presumably they can also be persuaded to forgo a pay increase if this enables the employer to create jobs for their unemployed relatives and friends.

Work sharing — shorter working weeks at reduced pay — in some depressed South African industries has kept thousands of people out of unemployment. But how far should incomes be allowed to depreciate?

"Workers are not prepared to share work at starvation wages," says Mrs Lucy Mvubelo, general secretary of South Africa's largest black trade union, the National Union of Clothing Workers.

"Job creation should become the priority only after a company has achieved a minimum income level of about R135 a month for all of its workers."

She made it clear that those firms which insisted on raising minimum incomes even further would not face criticism although this militated against job creation.

The unemployment situation will serve as a useful pretext for exploiters to pay as little as starving workers are prepared to accept.

"Therefore it is important for responsible employers to demonstrate that all of them are not bent on exploitation.

And the Urban Foundation, which intends to improve the quality of life in black townships, should not be deterred by unemployment. The conditions in the townships are so poor that improvements are imperative," Mrs Mvubelo said.

H UNIT

H DIVISION,  
ECONOMICS,  
BUILDING,  
APPEAL TOWN,  
DE BOSCH,  
7700.





## DISCOURS DIRECT

## DISCOURS INDIRECT

On répète les paroles exactes de la personne qui parle.

On rapporte à une autre personne ce que quelqu'un dit ou demande.

## EXEMPLES

1. CHARLES: "Marie, ouvrez la porte."  
CHARLES dit (demande, ordonne) à Marie d'ouvrir la porte.

2. CHARLES: "Je suis pressé."  
CHARLES dit (déclare, ajoute...) qu'il est pressé.

3. CHARLES: "Mon déjeuner est-il prêt?  
Qu'est-ce qu'il se passe? Pourquoi êtes-vous en retard?"  
CHARLES demande (veut savoir, etc...) si son déjeuner est prêt. Il demande aussi ce qu'il se passe et pourquoi elle (Marie) est en retard.

## DIFFÉRENCES

## I. Signes de ponctuation

Le discours direct est introduit

deux points et placé entre guillemets.

La question se termine par un point d'interrogation.

## II. Le pronom personnel

Sont à diverses personnes.

## III. Termes

Temps présent et proximités.

Charles: "Ceci ne doit pas se représenter: soyez à l'heure"

## IV

## 1. Impératif

## 2. simple déclaration

## 3. question

# Pay rise for metal workers

## JOHANNESBURG

South Africa's 500 000 metal workers would get pay increases of between 4c an hour for labourers and 8c an hour for artisans under an agreement reached here at the weekend to settle the industry's pay dispute.

The increases were to become effective on September 1, but employers were free to pay them immediately without fear of having to pay an additional increase on September 1, Dr. Errol Drummond, director of the Steel and Engineering Industries Federation (Seifsa), said.

The deal was estimated to cost the industry R49,7 million a year — compared with the R250 million which the original demands of the trade unions would have cost.

He paid tribute to the responsibility shown by trade union leaders and their members as well as by the accredited Black representatives who participated in the negotiations. — (Sapa.)

interrogatifs: si (oui ou non), qui, ce qui, ce que, pourquoi, comment, etc.) + v. (conjugue selon l'ordre des temps)

principal + que + v. (conjugue selon l'ordre des temps)

de déclaratif + de +

dit à Marie que cela de devait représenter et lui demanda l'heure le lendemain.

asse et éloignement.

le lieu

et généralement à la 3ème pers.

et le pr. possessif

d'interrogation est remplacé par un point.

points et les guillemets

the  
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male  
most  
perc

# Top men 'are not paid enough'

RDM 1/9/77

(348)

TABLE

YEAR	
1972	203
1973	201
1974	199
1975	195

TABLE 7.

CHIEF executives of South Africa's biggest companies receive basic salaries of between R40 000 and R60 000 a year.

If fringe benefits are added, their total remuneration ranges between R60 000 and R80 000.

These figures are contained in an analysis by SMB Management Services of the salaries of 1 875 top executives.

Data was collected from 358 organisations. The sample covered a broad cross-section of South African commerce and industry.

Mr Bill Glasgow, managing director of SMB Management Services, a subsidiary of Standard Merchant Bank, says this is one of the most comprehensive surveys of its kind published in South Africa.

He thinks for the responsibility they carry, South African chief executives are underpaid compared with many countries abroad.

One trend highlighted by the survey is that today's chief executives are younger than their predecessors of 10 years ago.

The average age in big companies today is the early fifties and in smaller companies the mid-forties.

The survey shows that executives in the bigger companies tend to retire earlier than those in the smaller.

One big problem companies face is providing adequate pensions to avoid erosion of benefits because of inflation.

Illustrating the problem is the example of an executive who retired at 60. At 65 his pension is worth only 62 per cent of its value five years earlier, assuming an annual inflation rate of 10 per cent.

The publication provides details of the various pension formulae adopted by organisations in South Africa.

The survey details the tax history of two executives, taking the tax year ended February 29, 1972, as a starting point.

The first who started on a lower salary, is likely to have a real income in 1977/78 worth only 90 per cent of his 1972 earnings.

The second, earning considerably more in 1972, fared worse because his true income is only 86 per cent of that earned six years earlier.

Source:

C.S.O., African Employees By Country of Origin, DL/978/15, Salisbury, (mimeo)

As an .....

the Act now makes it not only an offence defined as a person born outside Rhodesia) ur area (presently the main urban areas) such a person already in employment.

Act will only apply to men, but the Minister ended to apply to women. The 69 000 foreign mining employment would appear to be those d by this measure. They constitute 35 6 000) of foreign male workers in 1975.

## WORKERS IN RHODESIA

-75

All Workers		
Male	Female	Total
16 663	105 177	801 840
13 497	119 487	852 984
6 055	123 373	889 428
1 482	127 158	928 640

## WORKERS IN RHODESIA

75

% of Total
50,8
45,4
34,0
27,7
23,0

he September 1961 Census of Employees, a, 1969 Census of Employees,



# EXECUTIVE PAY 348 Rich man's burden

FM 2/9/77

FR. 77.88

Some South Africans dream of earning R150 a month. Others — earning 30 times that — are also complaining.

The ones who dream of R150 could be black miners (who average about R100 a month), or hotel workers (R54), or even those in commerce (R85). The others are chief executives earning between R40 000 and R60 000 a year.

The latter figures are contained in an analysis of the remuneration of 1 875 of SA's top executives, entitled *The Remuneration, Fringe Benefits, and Taxation of Top Executives in SA 1977*, and released this week by SMB Management Services.

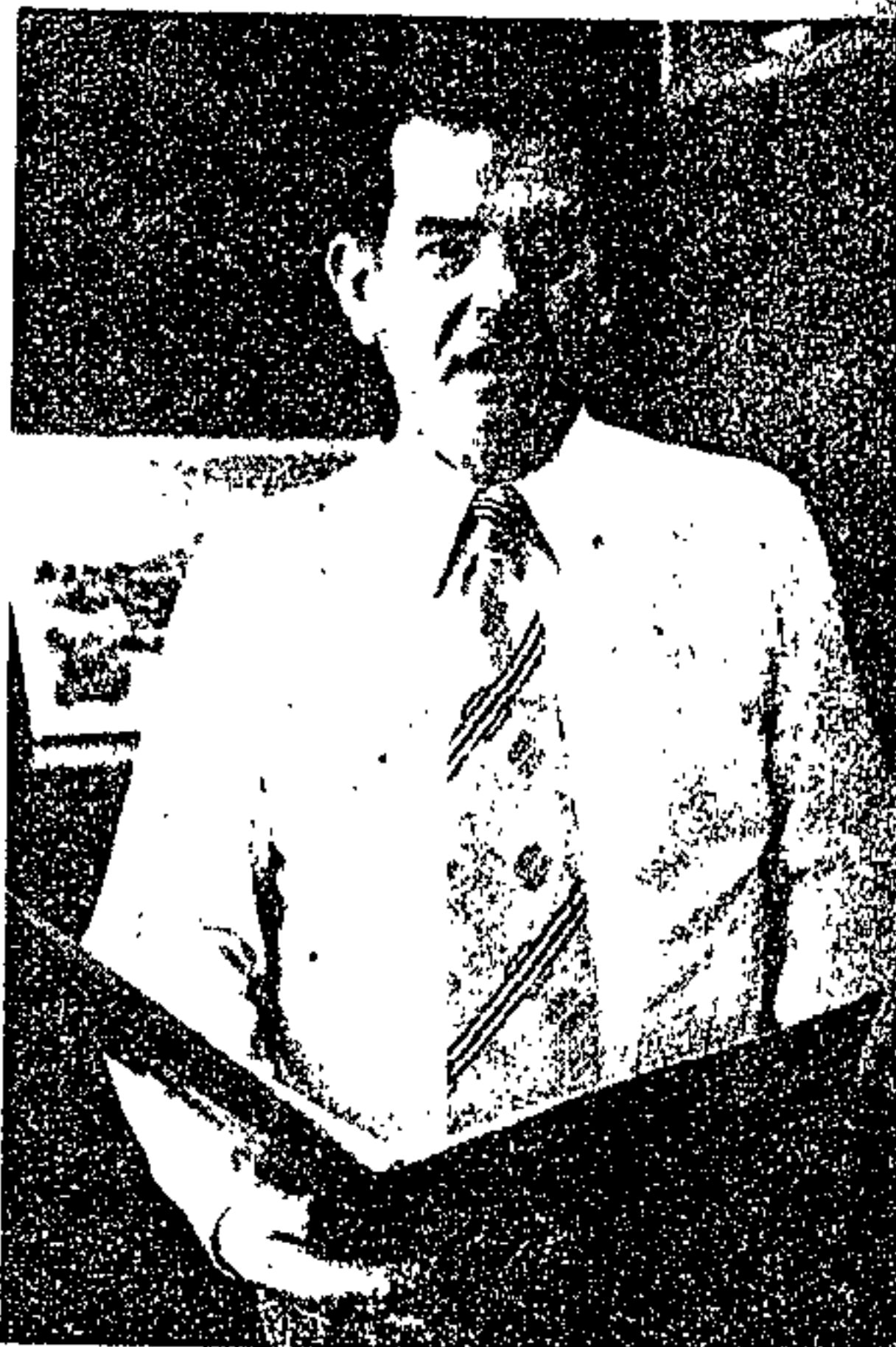
According to SMB's survey, which MD Bill Glasgow says is the most comprehensive ever published in SA, basic salaries of top executives in larger SA companies average out at between R40 000 and R60 000 a year. If fringe benefits are included, average remuneration works out at between R60 000 and R80 000.

For example, it has become accepted practice, says Glasgow, to provide executives earning more than R11 000 with a car.

Nevertheless, he reckons, "for the responsibility they carry, SA chief executives are underpaid by the standards of many countries abroad."

Nor, he says, is this offset by the

Financial Mail September 2 1977



Glasgow . . . Executives are underpaid

pre-tax salary adjustments which would be necessary to give meaningful after-tax increases," says the report.

More and more are therefore looking to other ways of boosting after-tax income.

Another issue worrying companies, says the report, is the way in which pensions are eaten into by inflation. An executive who retires at 60 finds that at 65 his pension is worth only about 62% of its original value.

BALZAC - LE PERE GORIOU

XIXe SIECLE

FRANCAIS I

# Sharing the wealth

FIN. MAIL 16/9/77

348

The black-white wage gap is narrowing. That's good news, but the impetus must be maintained

Redistributing incomes from whites to blacks may help rather than hinder economic growth.

This is the conclusion reached by Jill Nattrass, senior lecturer in economics at the University of Natal, after four years of study by herself and a team of researchers.

In 1975, average black per capita income (R19,58 per month) was only one eleventh of average white per capita income (R209,16). This is an improvement, however, on the earlier position. The figures for 1970 were R9,25 for blacks and R124,42 for whites — a ratio of 13 to 1.

These overall figures include not only wages and salaries, but income received in the form of dividends, interest and rent, as well as the imputed value of subsistence Bantustan agriculture in the case of Africans. Dividends, interest, and rent account for 39% of total white income, but only a tiny share of black income, of which wages and salaries are the major component. About 86% of the estimated increase in black incomes between 1970 and 1975 resulted from wage increases.

To make a significant change in the

proportion of total income accruing to blacks therefore means reducing the white/black wage gap.

Nattrass' calculations show that average black real wages increased by 6,6% a year from 1970 to 1975, while those of whites grew by only 1%. From 1973 to 1975 this was reflected by a decrease in the absolute wage gap in terms of 1970 prices.

In Nattrass' words: "We've managed to turn the corner." This is the first time in decades — or at least since official statistics have been accurate enough to permit some form of measurement — that the wage gap has actually narrowed.

This improvement must not be temporary: "It's critical that we do maintain it," she says.

Do other economists feel that income distribution is such an important area for concern? It would seem so. The problem is serious enough to warrant the SA Economic Society's making it the main theme at its biennial conference in Pretoria this week. It was at this conference that Nattrass presented her findings.

The *FM's* own calculations (see graphs) show that the real *absolute* wage gap between whites and Africans in the employ of central government has indeed narrowed.

## HOW THEY MOVED

Race group .....	* Percentage change in real earnings					
	1971	1972	1973	1974	1975	1976
Whites .....	3,8	(0,2)	(0,6)	2,1	(0,6)	(1,9)
Coloureds .....	7,7	2,2	3,7	0,7	1,4	(0,8)
Indians .....	9,4	3,6	3,5	2,1	3,5	4,4
Africans .....	3,0	4,5	7,4	11,5	11,7	5,1

Source: *Trends and Afrikaanse Handelsinstituut*.

\*Change over previous year in non-agricultural sectors (decreases shown in parenthesis).



In the manufacturing sector, by contrast, it has stayed roughly constant, although the ratio of white to African earnings has dropped substantially - from almost six to one in 1970 to almost four to one in 1976. In central government, the drop in the ratio has been even more pronounced - from six to one in 1970, to three to one last year.

This is the result of increases over that period of 52% and 84% in real terms in African earnings in manufacturing and central government respectively. White earnings grew by roughly 11% in manufacturing, but they fell by 10% in the central government sector.

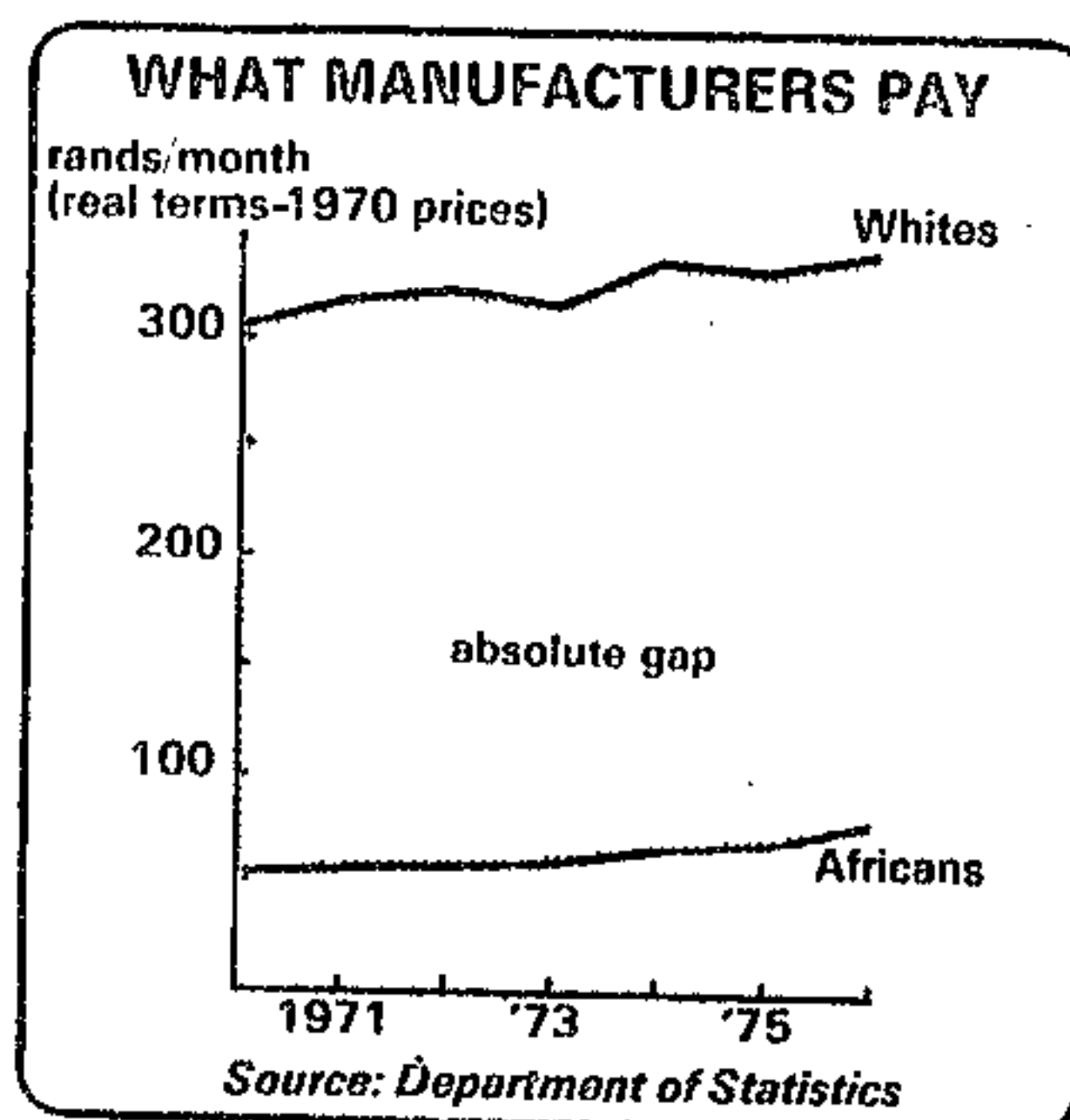
Inflation has taken a devastating toll. Average white pay grew in real terms from R307 to R340 in manufacturing, and shrunk from R282 to R254 in government service. Average African pay, in real terms, grew from R52 to R79 in manufacturing and from R45 to R83 in government service.

A more general picture is given by figures for the percentage change in real earnings of the four race groups quoted in the first issue of Stellenbosch's new publication *Trends* (see table). White and coloured incomes have decreased or grown only very slowly during the Seventies, while African wages have grown much more rapidly. Since the absolute

level of African wages is still very low, however, even large percentage increases mean relatively little in terms of hard cash.

It is frequently suggested that increases in wages cause unemployment. In this context, the long-term dynamic effects of wage rises are of crucial importance.

Continued growth in the SA economy



as a whole depends largely on the prospects for growth in the manufacturing sector. From a Natal University survey of manufacturing firms throughout the country, it appears that inadequate demand has been a much more serious constraint on investment than any of the other factors (such as interest rates or availability of finance) which are usually cited. Hence there is no inherent conflict between raising wages (and therefore demand) and creating black jobs.

Nattrass' research also showed that inasmuch as techniques of production are largely imported (being incorporated in foreign-built machinery), investment - and hence employment - is not likely in the long run to be sensitive to rising black wages. This is backed up by short-term experience. Nattrass found that over the five-year period to 1975, average black real wage rates in the modern sector grew by 47%, while employment increased by 22% - suggesting that employment is not excessively sensitive to wage rises.

Nattrass estimates that the black share in total income increased from 26% in 1970 to 32% in 1975: the highest proportion ever recorded. This redistribution, she argues, is bound to have an effect on demand for goods normally bought by low-income purchasers.

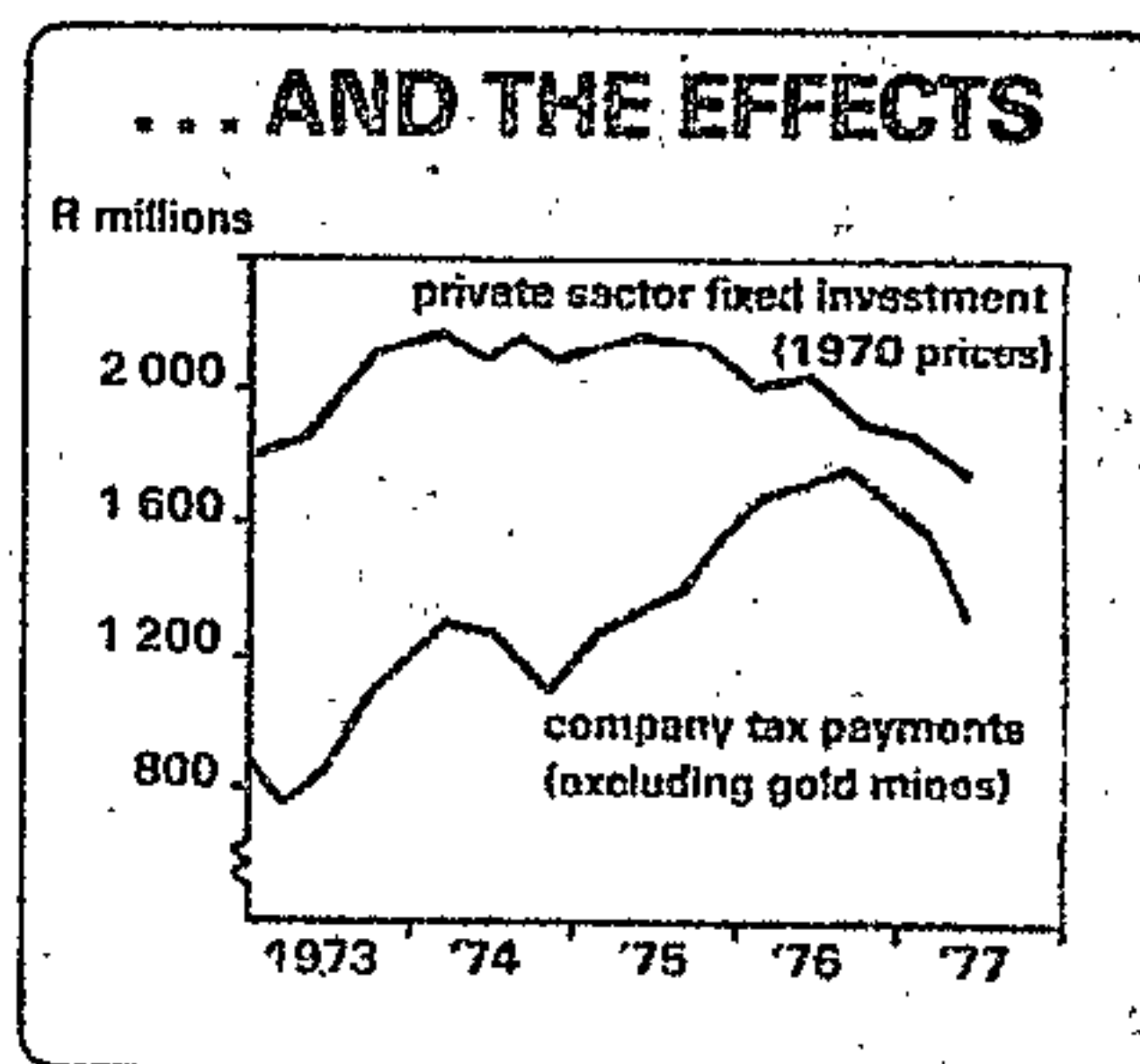
She also points out that the movement of blacks into more highly skilled jobs has not proved of major importance in altering the racial distribution of income, since the number of people involved has been relatively small. This suggests the need for continuing rapid increases in black wages, and at the same time developing opportunities for black

advancement and training.

Nattrass also says, however, that while the black share in total income has increased, the distribution of incomes among blacks seems to have become more unequal. A major problem here is the widening gap between rural and urban incomes. Although she believes that raising wages, and thereby redistributing income, is advantageous rather than deleterious to growth and job-creation, she stresses the importance of direct measures to create jobs in times of high unemployment and restrictive fiscal and monetary policies. Economic growth, after all, is essential to enable significant redistribution to take place.

Nattrass also urges the adoption of a "basic needs" approach, encompassing "the provision of adequate education and training facilities for blacks, a modern approach to the utilisation of labour resources, and a determined effort to improve the standards of living of blacks in rural areas, particularly homeland rural areas".

Simon Brand, deputy economic advisor to the Prime Minister, also focused attention on some of these areas in his address to the conference. He said that



the transfer of land to blacks, education, the development of small-scale agriculture, and the provision of leasehold housing were important elements of income redistribution policy.

Both Nattrass and Brand argued the case for developing small "informal sector" black-owned businesses in the townships and rural areas. This could encourage rapid increases in employment without adversely affecting the balance of payments.

But Nattrass warns: "Although a reduction in racial income inequality may well improve economic welfare, the continued denial of basic human rights to a major portion of the community, together with the disregard of human feelings that seem to have become institutionalised, still remain as barriers to the attainment of a 'just society'".



Economist Nattrass . . . probing the wage gaps



# Sharing the wealth

348  
FM

16/9/77

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Source: Trends and Afrikaanse Handelsinstituut.

\*Change over previous year in non-agricultural sectors (decreases shown in parenthesis).

1054

Financial Mail September 16 1977

-2-

Mr Protectionist: That's easier said than done! If we possessed perfect knowledge and information, if all the capital markets were perfect and if there were no such thing as externalities, your objection would be fully justified. However, as you know, this is not the case!

Mr Entrepreneur: I agree, particularly when it comes to industries and in less developed countries, often fail to recognise the full potentialities of their own resources. For instance, the South African economy from 1945 to 1975 has been a story of growth and development. It is not that we have not tried to develop our resources, but that we have not been able to do so in a way that would have allowed us to achieve the level of development that we have today.

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In the manufacturing sector, by contrast, it has stayed roughly constant, although the ratio of white to African earnings has dropped substantially — from almost six to one in 1970 to almost four to one in 1976. In central government, the drop in the ratio has been even more pronounced — from six to one in 1970, to three to one last year.

This is the result of increases over that period of 52% and 84% in real term in African earnings in manufacturing and central government respectively. White earnings grew by roughly 11% in manufacturing, but they fell by 10% in the central government sector.

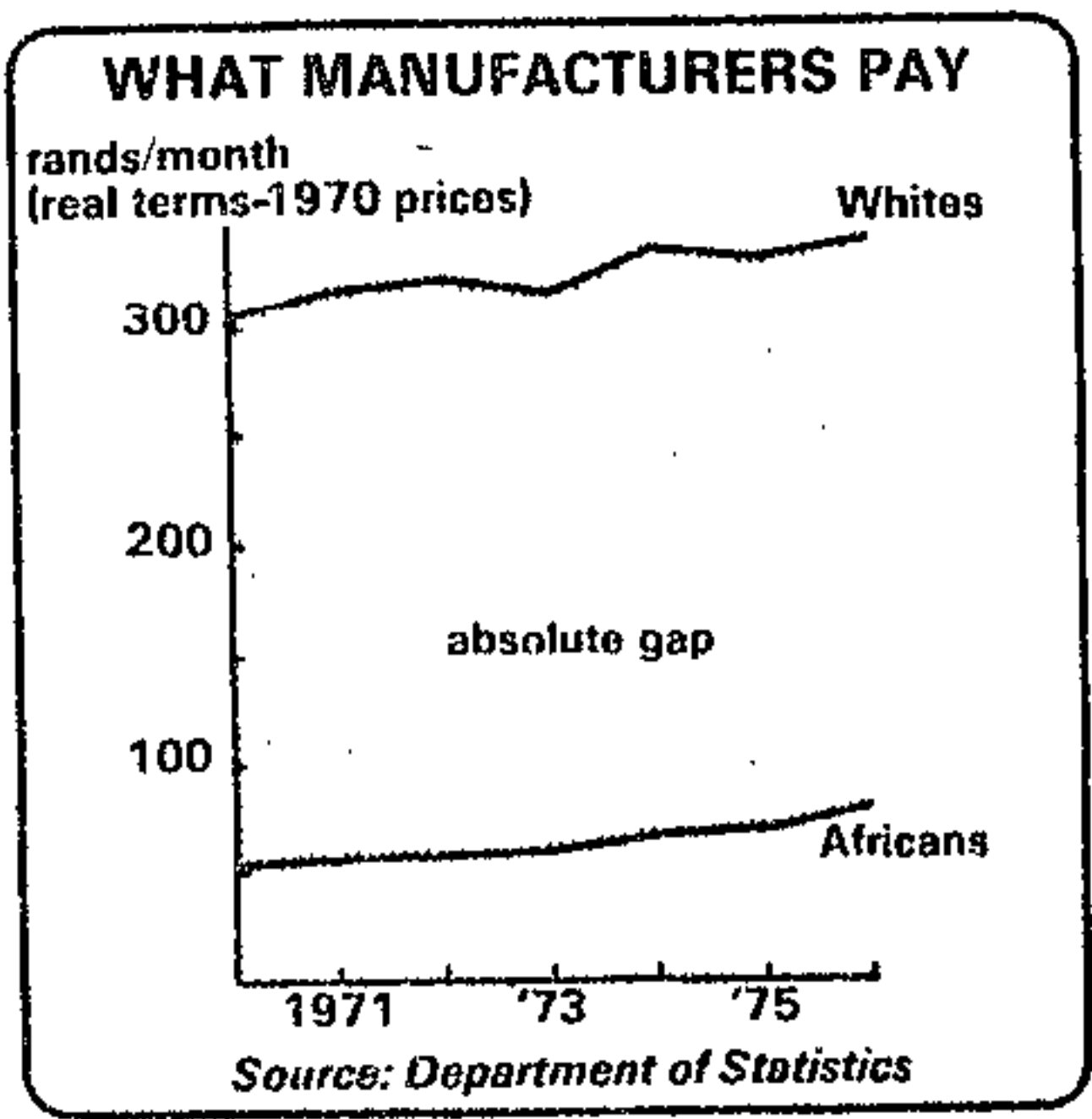
Inflation has taken a devastating toll. Average white pay grew in real terms from R307 to R340 in manufacturing, and shrunk from R282 to R254 in government service. Average African pay, in real terms, grew from R52 to R79 in manufacturing and from R45 to R83 in government service.

A more general picture is given by figures for the percentage change in real earnings of the four race groups quoted in the first issue of Stellenbosch's new publication *Trends* (see table). White and coloured incomes have decreased or grown only very slowly during the Seventies, while African wages have grown much more rapidly. Since the absolute

level of African wages is still very low, however, even large percentage increases mean relatively little in terms of hard cash.

It is frequently suggested that increases in wages cause unemployment. In this context, the long-term dynamic effects of wage rises are of crucial importance.

Continued growth in the SA economy



as a whole depends largely on the prospects for growth in the manufacturing sector. From a Natal University survey of manufacturing firms throughout the country, it appears that inadequate demand has been a much more serious constraint on investment than any of the other factors (such as interest rates or availability of finance) which are usually cited. Hence there is no inherent conflict between raising wages (and therefore demand) and creating black jobs.

Nattrass' research also showed that inasmuch as techniques of production are largely imported (being incorporated in foreign-built machinery), investment — and hence employment — is not likely in the long run to be sensitive to rising black wages. This is backed up by short-term experience. Nattrass found that over the five-year period to 1975, average black real wage rates in the modern sector grew by 47%, while employment increased by 22% — suggesting that employment is not excessively sensitive to wage rises.

Nattrass estimates that the black share in total income increased from 26% in 1970 to 32% in 1975: the highest proportion ever recorded. This redistribution, she argues, is bound to have an effect on demand for goods normally bought by low-income purchasers.

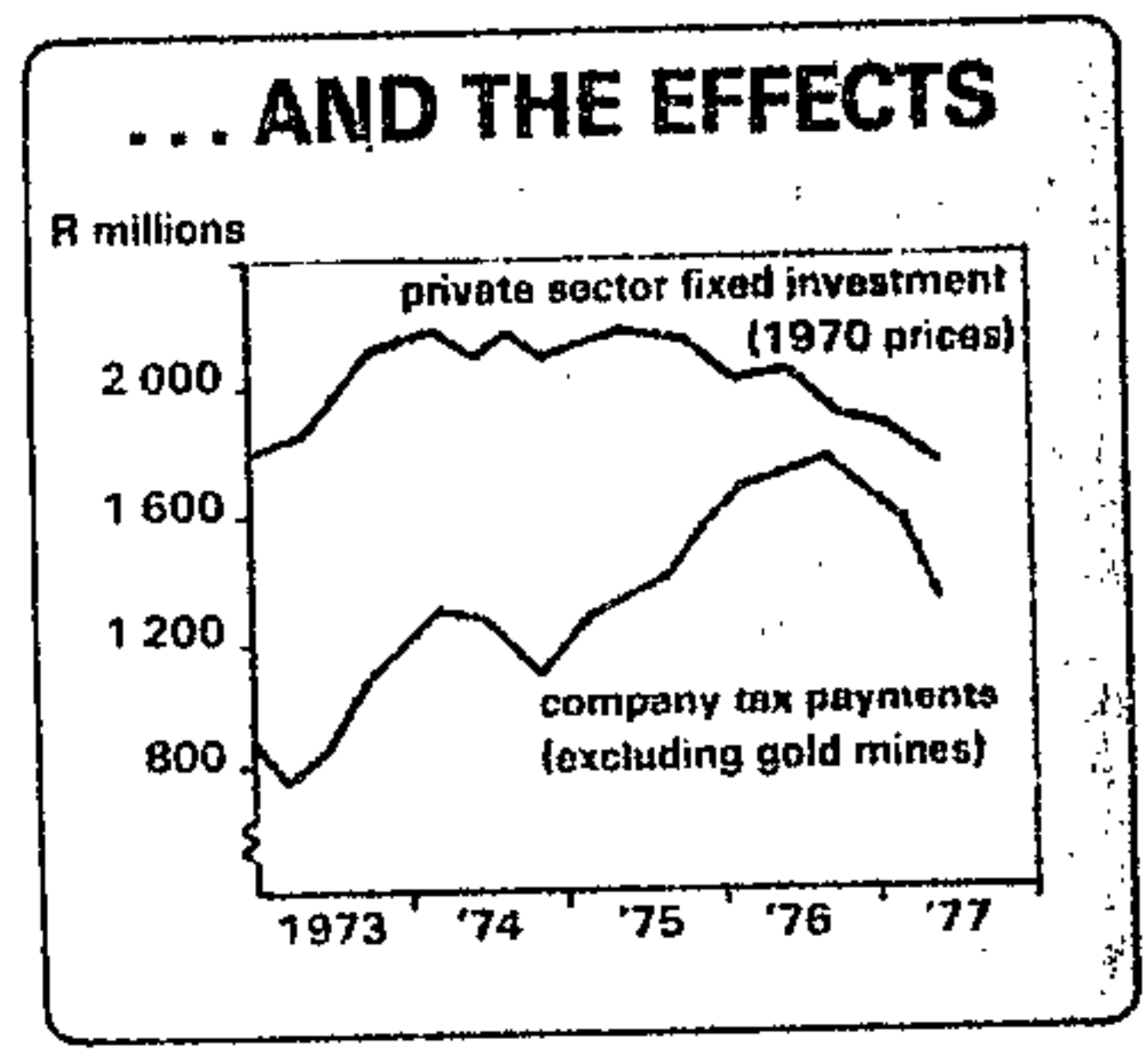
She also points out that the movement of blacks into more highly skilled jobs has not proved of major importance in altering the racial distribution of income, since the number of people involved has been relatively small. This suggests the need for continuing rapid increases in black wages, and at the same time developing opportunities for black

advancement and training.

Nattrass also says, however, that while the black share in total income has increased, the distribution of incomes among blacks seems to have become more unequal. A major problem here is the widening gap between rural and urban incomes. Although she believes that raising wages, and thereby redistributing income, is advantageous rather than deleterious to growth and job-creation, she stresses the importance of direct measures to create jobs in times of high unemployment and restrictive fiscal and monetary policies. Economic growth, after all, is essential to enable significant redistribution to take place.

Nattrass also urges the adoption of a "basic needs" approach, encompassing "the provision of adequate education and training facilities for blacks, a modern approach to the utilisation of labour resources, and a determined effort to improve the standards of living of blacks in rural areas, particularly homeland rural areas".

Simon Brand, deputy economic advisor to the Prime Minister, also focused attention on some of these areas in his address to the conference. He said that



the transfer of land to blacks, education, the development of small-scale agriculture, and the provision of leasehold housing were important elements of income redistribution policy.

Both Nattrass and Brand argued the case for developing small "informal sector" black-owned businesses in the townships and rural areas. This could encourage rapid increases in employment without adversely affecting the balance of payments.

But Nattrass warns: "Although a reduction in racial income inequality may well improve economic welfare, the continued denial of basic human rights to a major portion of the community, together with the disregard of human feelings that seem to have become institutionalised, still remain as barriers to the attainment of a 'just society'".



**Economist Nattrass . . . probing the wage gaps**



# CATTLE TRAILS AND RAILROADS, 1850-1893

## CATTLE TRAILS:

- 1 Good Night-Loving Trail
- 2 Western Trail
- 3 Chisholm Trail
- 4 Eastern or Shawnee Trail
- 5 Sedalia Trail

PATTON AND

## FIN. MAIL 30/9/77 PUBLIC SECTOR PAY Judgment day

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Public servants who were hoping for a pay-rise between now and November 30 may be in for a disappointment.

Public Service Commission chairman P S Rautenbach denies that any wage rise is in the offing: "We'd like there to be one, but there's simply no money in the kitty. There'll be no raise until next year at the earliest," he says.

In any event, some unions are dubious about the whole principle of unilateral wage awards by government.

Artisan Staff Association general secretary Wallie Grobler says that "the last time we hotted up our demands for an increase, the Prime Minister took the matter out of our hands by announcing a 10% rise. It could happen again".

His union resents this, says Grobler: "Not only were we dissatisfied with the size of the increase -- but we're very unhappy about government circumvent-

ing the bargaining process in this way."

When employees in the public sector do get a pay rise -- later rather than sooner -- they will probably have a judge to thank rather than government.

The SAR's Artisan Staff Association (ASA) has declared a dispute with the Minister of Transport over the issue of its members' long-deferred wage claims. The declaration means that the matter is referred to an arbitrator -- usually a judge or ex-judge. If he were to grant a wage increase, government would almost certainly extend that increase to the rest of the public service.

There is precedent for this. In 1972 the ASA took the Minister to arbitration and won a 15% increase. A similar rise was almost immediately granted to the rest of the civil service.

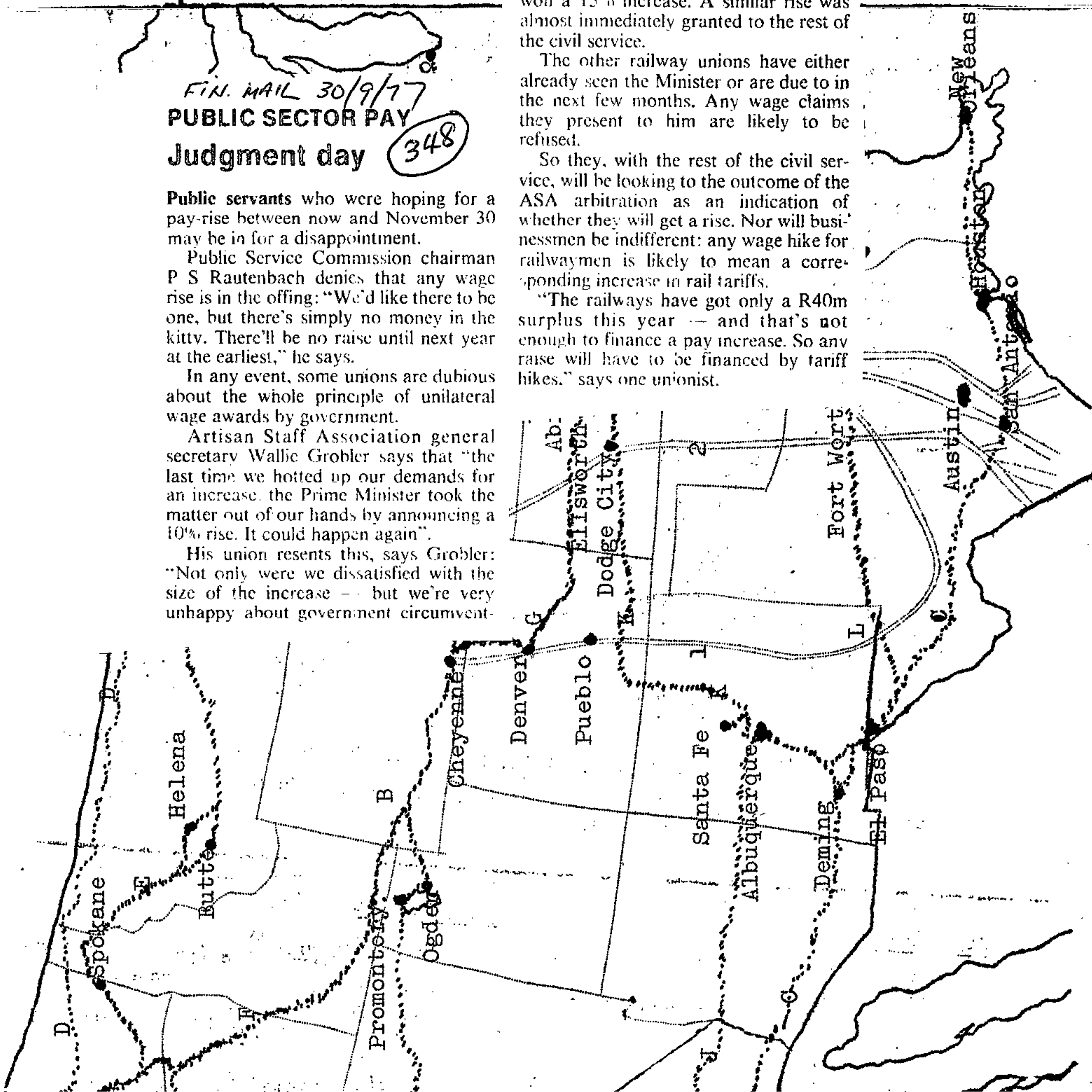
The other railway unions have either already seen the Minister or are due to in the next few months. Any wage claims they present to him are likely to be refused.

So they, with the rest of the civil service, will be looking to the outcome of the ASA arbitration as an indication of whether they will get a rise. Nor will businessmen be indifferent: any wage hike for railwaymen is likely to mean a corresponding increase in rail tariffs.

"The railways have got only a R40m surplus this year -- and that's not enough to finance a pay increase. So any raise will have to be financed by tariff hikes," says one unionist.

Pacific (A.T. and S.F.)

K Atchison, Topeka and Santa Fe  
L Texas and Pacific





duced by Urwick International. Based on information gleaned from nearly 400 companies and covering 65 000 workers, the survey says that the pay of chief executives has risen 9% this year, against 10% last year.

On the general staff front, artisans have suffered the most, receiving an average 4% increase this year. General administrative staff got 6%, clerical and secretarial 7%, and data processing staff 12% — the largest increase of all categories.

Nic Nel of SA Financial Evaluation Services, who assisted Urwick with the survey, warns that "white unions are likely to get more restive as the pay crunch continues to bite".

Urwick argues that the relatively higher rises for chief executives are deceptive because of the relatively higher tax burden they bear. For that reason, more firms are looking to fringe benefits as a way of supplementing executive income.

Nel adds that "firms should sit down and carry out a detailed cost-benefit analysis of their fringe benefit structure from the chief executive down to the lowest-paid migrant worker."

## PAY SURVEYS — 2

### Rough ride ahead

African wage increases this year have been only half as big as they were in 1974/75 — but they are still rising at a higher rate than those of white non-executives.

These trends emerge from the first pay survey to flow out of the joint operation of Bill Glasgow's SMB Management Ser-

vices and Dawie Gouws's Peromnes Salary Surveys.

The survey contains information gathered from about 500 companies, employing more than 700 000 people.

It notes a relative "explosion" in African and coloured wage increases in 1974/75 which has since subsided. While white increases have not dipped as sharply, black increases are still higher in percentage terms.

The survey also found that black wages are reviewed more frequently than those of white. — in order, it says, to keep them in line with the upward movement of the poverty datum line.

The survey warns of a general reduction in wage hikes over the next four months. This is likely to affect traditional January wage reviews of course.

It also found that only about a quarter of companies were granting cost of living allowances to their workers.

The SMB Peromnes study also looked at labour relations. It found that 60% of companies used the liaison committee system and 16% works committees.

## PAY SURVEYS — 1

### Fringe benefit trends

Executive pay has just kept pace with rises in the CPI over the last four years, while that of general staff has fallen below it.

So says the latest salary survey pro-



Glasgow . . . warning of a slowdown in wage rises

FM  
7/10/77

348

# Whites likely to receive smaller pay increases

D.D.  
7/10/77

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JOHANNESBURG — Pay rises in the next few months are likely to be smaller all round, but percentage rises are expected to be higher among non-whites, says a new survey, General Staff Remuneration and Fringe Benefits in South Africa — 1977.

The survey, published jointly by SMB Management Services (Pty), a subsidiary of Standard Merchant Bank, and Peronnes Salary Surveys (Pty), covers all categories of employees other than top executives — covered in another survey published last month.

All race groups are included in the statistics, and data were drawn from about 500 of South Africa's leading com-

panies, employing more than 700 000 people.

The survey shows South African employers tend to review non-white salaries more frequently than those of whites. These reviews are designed to keep non-whites in line with the upward movement of the consumer price index.

It reveals that current thinking on salary increases seems to reflect the general economic slowdown and relative over-supply of labour, and therefore salary increments are expected to be lower in the next few months, when most reviews take place.

However, the quantum of increase projected for the non-white race groups is somewhat higher than

that forecast for whites.

Flexitime has been adopted by about a third of the companies surveyed, and the survey also reveals that regular Christmas or holiday-type bonuses have become accepted as a right rather than a privilege by both employers and employees. Only about 10 per cent of employers pay no general bonuses.

Assistance to employees who wish to study further is another accepted practice today by about 75 per cent of participants in the survey. However, the percentage of employees and dependants qualifying for assistance is higher for non-whites than for either white staff or for top executives. — SAPA.



# Magistrate tells of sharp rise in coloured earnings

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THE total earnings of coloured workers in South Africa have increased from R177-million in 1960 to R975-million, according to Worcester's chief magistrate, Mr E. R. van Rooyen.

Addressing a meeting of the Worcester Ratepayers' Association, Mr van Rooyen said this figure did not include the income earned by coloured-owned businesses.

He said the figure could reach as much as R2 083-million by 1980, according to the findings of the Theron Commission.

He added that the birth rate among coloured people in South Africa had dropped from 34 per 1 000 in 1970 to 27 per 1 000. This, he said, indicated that there was a

real desire to improve living standards.

Mr van Rooyen is chairman of the Relationship Committee formed at the town two years ago to build closer ties between the race groups.

The committee has 11 white members and 11 coloured members.

# Perk up

FM 4/11/77

348

**Adequately rewarding your executives today means finding the right mix of pay and fringe benefits**

With fewer than 60 hoping days left till Christmas, employees and employers are moving into that familiar nail-biting period — the year-end pay and perks review.

Never has it been more difficult. Many companies' profits have fallen drastically and budgets are tightening in line with the chairman's waistband. Indeed, many firms are struggling to survive. Few see profit-laden rainbows for next year — so there's not a lot of cake for the sharing.

Yet after two years of wage restraints — admittedly mostly in the public sector — pressure is very great indeed. Everybody wants to stay ahead of the cost of living. Or at least keep pace. Most employers would like to oblige. But can't.

It becomes more difficult higher up the salary ladder as taxation widens the gap between true cost to the company and true value to the employee. Today,

retaining the services of an executive or enticing one to join requires much more thought and ingenuity than making him a cash offer he can't refuse. Because of our income tax structure, more money in the form of direct salary is sometimes the least attractive option.

The 1977 Urwick International executive remuneration survey contains a section by Nic Nel, tax and employee benefits consultant of SA Financial Evaluation Services, in which Nel outlines the concept of true cost/true value relationships for structuring remuneration.

Says Nel: "The present disparity between company tax rates (49%) and personal ones (72% at the margin), together with the availability of a wide range of fringe benefits and employer/employee arrangements, makes a mockery of attempts to measure rewards in pure cash terms."

The true cost to a company of compensation paid is the net rand amount it must give out in profit after tax in remunerating an executive.

True value is the net benefit an executive receives in the form of cash, security, status and fringe benefits, taxation once again playing a decisive role. Compensation in pure cash terms, says Nel, can result in the extreme situation where a cost-of-living increase of R1 000 (*true cost* R510, regarding loan levy as a tax) can mean a *true value* of as little as R136 to an employee with abatements still available (taxable amount R28 000; additional tax and loan levy on an extra R1 000 is R864, leaving R136). True cost would then be 375% of true value.

Such is the disincentive in this situation that the employer is loath to grant increases when for every R1 he puts into the pocket of an employee he must



reduce his after-tax profits by R2,75. This, of course, is extreme. Generally, R3,57 of pre-tax income to the employee gives him R1 net after tax. The employer gets relief of R1,75 (49% of R3,57), and after-tax profits are reduced by R1,82.

This sort of deadlock raises two severe problems for business and thus the economy. Firstly, it stifles incentive and in too many cases forces the executive to re-evaluate his own ambitions. Climbing up the ladder is one thing: one step up and two steps down is another.

Secondly, in the case where he gets an attractive job offer from another company, the incentive to move for more money is just as weak. Is it worth moving away from a job he knows well and can handle effectively, in a company whose ways are familiar, to take on a relatively unknown challenge when immediate reward must, because of personal taxation, be so small? Too often where desirable challenges do exist, the rewards offered are not commensurate with the risks.

"The dangers here are that the executives of this country will remain firmly seated. Can you imagine what happens to a country's economy if that happens?" asks a Johannesburg executive placement company.

One particular drawback in the tax system is that the young, middle executive in this country is penalised very early in his management career. He starts grinding up against a relatively high marginal tax rate at the far-from-millionaire-style annual salary of some R20 000. Thus it's not surprising that, in its recent survey on executive remuneration (*FM* October 7), Urwick International takes a long, hard look at fringe benefits.

"It's for want of a better phrase," says Urwick senior partner Malcolm Schofield. "Fringe benefits have acquired the connotation of being somehow shady. This is nonsense."

Safes' Nel elaborates: "There are approaches which are perfectly within the law and these relate essentially to ways and means of reducing the employee's cost of living, and included in this concept is making it unnecessary for an executive to accumulate private investments to supplement retirement income."

Both Schofield and Nel stress that executive compensation must be approached in a systematic manner, avoiding a haphazard search for "tax-free perks".

Here are some of the things they suggest can be done:

- Attack the problem at the root and provide for preservation of accumulated rights under the pension fund. After all, these are the product of the deferment of present income and a "paltry return" of contributions plus 2% interest (a fairly



Fringe benefits . . . quite a number will wash with the Receiver

common figure) on withdrawal is hardly fair. It cannot be reasonable to force a person to invest, as a condition of service, in a fund that does not give him a fair return on his money.

"These objectives are best achieved by the separation of pension provision from other fringe benefits such as widows, disability, retrenchment, etc into pension and benefit funds, respectively."

- Reduce the executive's reliance on private insurance policies to protect him and his family in the case of premature death or disablement. Better underwriting conditions and rates are available through group arrangements, and this applies equally to retirement annuity funds.

- Pay his share of the medical aid contribution. This private expense qualifies for an abatement, it is true, but which executive has these nowadays?
- Pay for his children's education. This

can be done through a benefit fund or if the company enrolls the child and pays the fees as a general policy applicable to either all or a fairly broad category of staff.

- Provide him with a company car. If you provide his wife with a company car, it may not be a deductible expense for the company, but the amount of tax he would pay on such a benefit would be far less than the cost he would incur on buying and running one.

- Finally, the much debated subject of housing loans at low interest rates. To date, the taxman has not devised a formula for the taxation of such a benefit and, with the implication for the banks, institutions and public service, any move in this direction would have to have very careful and long consideration. Respite for several years may still be expected.

- There are other practices like paying telephone accounts, newspapers, home entertainment, travelling allowances and so on which are common. They are all, however, part of the game which is, in essence, to find a balance which satisfies both company and employee objectives of cost, reward and productivity. The employer must be assured that he gets the most out of every rand he pays. The employee, on the other hand, must find himself in the position where he gets more than the employer's cost of every rand he earns.

There is the apocryphal story of the wealthy London businessman who every time he climbed into his Rolls-Royce at the plush Savoy Hotel tipped the top-hatted commissionaire 5p. The uniformed factotum told an embarrassed friend of the seemingly miserly millionaire: "Don't worry sir, he always tips me 5p. He likes to tell his friends that he has to earn a £1 to do so."

It's a story that always raises a laugh. But among SA's executives and their employers today, it could very well apply to the doorman at the Carlton.

## WHAT MORE CASH IS WORTH

Effect of a R100 per month increase in salary at various income levels 1978 tax year\*

Monthly salary before increase	Tax payable on base salary	Respective shares of an income of R100 per month		True cost	True cost/true value %
		Taxpayer	Taxman		
700	80,08	73,75	26,25	51	60,15
900	136,58	65,42	34,58	51	77,86
1 000	171,17	61,42	38,58	51	83,04
1 200	252,50	52,92	47,08	51	98,38
1 400	344,67	54,87	45,33	51	93,39
1 600	438,33	48,83	51,17	51	104,44
1 800	543,50	43,17	56,83	51	118,15
2 000	660,00	37,33	62,67	51	136,61
2 200	788,33	31,67	68,33	51	161,05
2 400	928,00	28,00	72,00	51	182,14

\*Married white, Asian or coloured man; under age 60; 2 dependant children; no pension and retirement annuity fund contributions; medical aid, medical insurance and provident fund expenses ignored; no reimbursive allowance; wife not earning any taxable income.

† To employer, of increases (after tax and loan levy).



# CIVIL SERVICE SALARIES JUST NOT AS GOOD

S. J. 4/12/77

348

Finance Reporter

**HIGHLY** qualified white men in public service are earning about R2 000 a year less than their colleagues in the private sector says the Human Sciences Research Council.

The council's Institute for Manpower Research says a survey of some 300 occupations showed that the average wage in public service for qualified men was R10 540 compared to R12 110 in the private sector and R20 210 among self-employed people.

The institute says for the period 1971 to 1977 the highest salary growth rate among employees in professions was among attorneys who enjoyed an average annual increase of around 12,2 percent, with self-employed advocates and veterinary surgeons following close behind with 11,5 percent.

The average salary growth rate for the public sector as a whole was 8,1 percent a year compared with 10,4 per-

cent in private companies and 8,9 percent among self employed.

However, the picture for 1975-1977 is very different. The average annual growth rate of salaries in the private sector shot up to 19 percent compared with 10 percent in the public service. Self employed salaries moved to second place at 14 percent.

The Institute also conducted a survey among working wives and found that 75 percent were dissatisfied with the system of joint taxation.

It was obvious from survey results that many women are deliberately limiting income and working hours in order to keep the total income earned down to acceptable levels.

The Institute says about 14 percent (441) of the women surveyed would definitely return to work if the present taxation system was altered.



DISC 101

Cape Times

8/12/77

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# all public servants

Own Correspondent

**PRETORIA.** — The government yesterday announced a 5 percent pay rise for all public servants. This almost certainly heralds sharp tax increases in the new year.

The pay rise, which is expected to cost the country an extra R50 million, comes into effect on January 1 next year — exactly one year after it was originally promised.

Affected are all public servants, schoolteachers, Post Office workers and Railway employees. A new deal for teachers was announced.

The announcement also introduces the serious possibility of sharp rises in postal and railway tariffs — likely to be made known during the parliamentary budgets next year.

The chairman of the Public Service Commission, Dr P S Rautenbach, said the rises had come as "something of a surprise" but were well deserved by the service.

"The service as a whole has really played the game over the past year, not pressing for any rises and continuing to give faithful service," he said.



Dr Koornhof

## Pretty far behind

"The service's payroll as a whole has fallen pretty far behind that of the private sector, and the rise for them comes now at a time when they really need it."

At the same time the Minister of National Education, Dr Piet Koornhof, announced that a revised structure for teaching personnel would be introduced next year.

The particulars of the new structure, he said, were accepted by the government in May this year and complied with the minimum requirements of the profession.

Although details were not announced, the new deal is expected to involve the appointment of more administrative staff at schools to relieve teachers and also provide better promotion and increment prospects.

In making the announcements, three Cabinet ministers yesterday killed hopes that the increase was the start of a new round of general salary improvements.

The move completed relief measures envisaged by the Prime Minister and should not be seen as the beginning of a new general salary improvement cycle, said the Minister of Posts and Telecommunications, Mr Johan van der Spuy.

He was supported in this warning by the Minister of the Interior, Dr Connie Mulder, and the Minister of Transport, Mr S L Muller.

Civil servants, including teachers, last got a pay adjustment in July 1976.

They were given a 10 percent increase and promised a further 5 percent increase in January 1977.

However, the 5 percent increase was never introduced. Ministerial statements attributed the delay to the unfavourable economic climate.

# Wage, price freeze call falls flat

RDM 10/12/77

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Industrial Editor

THE RENEWED call by Professor J.L. Sadie, director of the Bureau for Economic Research at the University of Stellenbosch, for a general wages and price freeze for 12 to 18 months, is a minority view among economists.

As with a similar appeal more than a year ago by Barclays Bank's chief economist, Dr Johann Cloete, Professor Sadie's suggestions receive little or no support from other commentators.

While they agree that inflation — even though it is expected to be marginally lower in 1978 than this year — is still unacceptably high, the view is that arbitrary controls over prices and wages are not the correct

way to tackle the problem.

Such action would merely amount to the treatment of the symptoms of the ills affecting the economy and not the disease itself, it is said. It would not get things going and could, in the long run, cause a more serious condition, says one economist.

Another likened Professor Sadie's proposed treatment to that of a driver banging the petrol gauge in his car when the tank is empty.

Mr Peter Lewin, lecturer at the Graduate School of Business Administration at the University of the Witwatersrand, warned: "If such controls were introduced, we could expect to suffer from considerably worse symptoms on their release in 18 months time."

"Controls such as suggested are incompatible with the free enterprise society for which we stand, and which we believe is best for all our citizens in the long run."

Another economist says the introduction of such controls would amount to a retreat into a siege economy and could prove counter-productive.

And conditions certainly have not deteriorated to such levels, he says.

He warns that further controls, which will affect earnings and profitability, are likely to frighten off foreign capital — which has already been put off on political considerations.

The cautious approach by the authorities to bring about a slow recovery of the economy should be continued. There can be no quick solution to the problems, says another commentator.

The commentators agreed that continued high inflation could hamper the export drive by reducing the competitiveness of South African goods.

Eventually this could force the authorities to devalue the rand, not once, but on successive occasions, says one supporter of wage and price controls.

But this might not be such a bad idea, if it were done cautiously, says another, adding that there is, in any event, a need for the rand to have greater flexibility than it has at present.



workers' holiday pay: R5-m dip

# No lavish

348

Star 10/12/77

# Christmas

Although some factories are still on short time and closing down for five weeks instead of the normal three weeks, others have so many orders on hand that they want to close down for less than the traditional three weeks. One factory intends to close for the week from Christmas to New Year's Day only, keeping the rest of the holiday for a possibly gloomier future.

## Building

In the Transvaal building industry, about 9 000 artisans drew about R4.8-million in holiday pay yesterday before the shutdown next Thursday until January 9.

The industry's 38 000 unskilled workers had already received their holiday pay of R4.5-million. This reflects the slump through which the building industry passed this year.

Last year 14 000 more workers — nearly 2 000 artisans — drew holiday pay in this industry.

## Strength

The 20 000 garment workers in the Transvaal are taking home close to R2-million in holiday pay. The Transvaal's 12 000 furniture workers, who have held their strength despite earlier predictions of a slump, are taking home R4.8-million in holiday pay.

About 40 000 people are shopping in our Johannesburg store daily, said a general manager. This looks good on paper, but the trouble is they are spending less than in previous years.

Some Johannesburg stores are having pre-Christmas sales to off-load stocks.

As factories closed for Christmas this week workers took home about R17-million in holiday pay — but Johannesburg shopkeepers nevertheless face bleak festive season trading.

For the public this means a less lavish Christmas than last year when workers took home about R22-million in holiday pay.

Estimates are that South Africans will spend around R1 430-million this Christmas, but Santa's gaily sleigh will not be as heavily laden as last year.

Thousands of workers have lost their jobs during the year and the Johannesburg Chamber of Commerce has warned a tumble of between eight and 15 per cent in sales volume compared with the same period last year.

Bleak Christmas prospects have been heightened by fears that many workers may not have jobs to return to after the "holiday". Rocketing inflation and high prices can inhibit workers from spending their holiday pay during the festive season.

## Brightness

On the brighter side the clothing industry, which feared considerable retrenchments at the end of the year, has perked a little.

lake-  
differs  
(348) 11/12/77

op gelet word dat daar in tings te verlaag nie — al het  
die staatsfinansies ook nog die ekonomie so 'n stimulus  
geen ruimte is om belas nou baie nodig.

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die staatsfinansies ook nog die ekonomie so 'n stimulus  
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Die verhoging van 5 per-  
sent wat 'n addisionele eis  
van ongeveer R50 miljoen  
op die staatskas plaas, is  
ook nie soveel dat enig  
belastingstygings daarom  
nodig is nie.  
Terselfdertyd moet daar-

Om nog meer bankkrediet te gebruik om verdere salarisverhogings toe te staan, sal 'n aansienlike druk op die binnelandse inflasiespiraal veroorsaak. Die Buro verwag in elk geval dat die inflasiekoers in 1978 nie tot onder 10 persent sal daal nie.

Die salarisaanpassing van 5 persent vir staatsamp tenare is natuurlik 'n verhoging bo en behalwe die normale skaalaanpassings van gemiddeld ongeveer 5 persent wat die totale verbetering vir die meeste amptenare op 10 persent te staan bring.

Volgens die Buro sou die vergoeding vir werknemers in 1978 met 14,7 persent gestyg het na 'n aanpassing van 10 persent in die salarisse van staatsamptenare van 10 persent op 1 April vanjaar. Dit sou uitgewerk het op 7,5 persent gemiddeld vir die jaar.

As daar nie verdere aanpassings kom nie, kan die totale vergoeding aan werknemers vanjaar ietwat minder styg as die voor-  
spelde 14,7 persent.

Die verwagting is dus dat die vergoeding aan staatsamptenare oor die volgende jaar ietwat minder sal styg as die aan die private sektor. Dit behoort voldoende bewys te wees dat die aanpassings van 5 persent nie noodwendig...



# Change in Black living patterns

348  
A. Enfrass  
11/12/77

## Express Reporter

THE living pattern of Blacks in South Africa, and Africans particularly, is changing as White standards in food and alcohol become more important to them.

At the same time the South African Black is following another example of his White fellow-countryman — he is becoming more security-conscious and is showing more interest in insurance and pension funds.

A big shift in the living pattern of Blacks generally, right down even to the conversion of Indian women from the sari to Western dress, is shown in a report released this week by the Bureau of Market Research of the University of South Africa.

The report, based on a survey which compares findings of a similar project in 1970 with one produced in 1975, covers a representative cross-section of African, Indian and coloured households in the main urban centres.

Researcher Christiane de Kok said Africans were discarding traditional foods; on the other hand they were trying to enhance their national identity instead of emulating Whites, as shown by their attention to personal care products.

Expenditure on meat products among Africans rose from 29,6% in 1970 to 38,1% in 1975, with poultry becoming more popular.

On the other hand expenditure on grain products, traditionally the staple diet of the African, dropped from 22,8 to 16,7%; expenditure declining proportionately on milk products and eggs but rising on vegetables and fruit.

Expenditure on mealie meal dropped from 37,5 to 29,5%, while that on white bread increased to 30,9 from 23%.

# FEWER JOBS BUT WAGES STILL RISE

Financial Editor

ALTHOUGH the South African economy is experiencing its worst recession since the 1930s, the number of people laid off by the manufacturing sector — the country's major employer — has been slight, figures issued by the Department of Statistics show.

At the end of June — the latest figures available — there were 1 242 400 people employed by the manufacturing sector.

This was 25 400, or 2 percent fewer than in June last year and only 30 400, or 2,4 percent below the sector's peak employment figure of 1 272 800 reached in March last year.

However, while employment may have de-

clined slightly, the wage bill continued to rise.

Manufacturing's payout in June was R313,1-million, which is R23,6-million, or 8,2 percent more than it paid out in June last year.

The figures show that in the 12 months ended June the average rise in wages was 7,9 percent for white, 9,3 percent for coloured, 11,1 percent for Asian and 12,2 percent for African workers.

There was a much sharper drop in employment in construction. A total of 405 200 people were employed here at the end of June, which was 41 700 or 9,3 percent less than a year earlier.

The June figure was 45 700 or 9,7 percent below the sector's peak employment figure reached in February 1976.

## AVERAGE WAGES

But the industry's wage bill in June was R337-million which was fractionally more than the R33,3-million in June last year.

The average wages paid to white Asian and African workers all showed increases, but the average wage of coloured workers in June was 4,1 percent lower than a year earlier.

The following table gives average wages in the different sectors of the economy and for different races in June this year and the percentage increases on last year. The figures do not differentiate between earnings of men and women and can include overtime and bonuses.

MANUFACTURING		Rands	Percent Increase
Whites		608	7.9
Coloureds		168	9.3
Asians		179	11.1
Africans		140	12.2
CONSTRUCTION			
Whites		614	13.9
Coloureds		206	4.1
Asians		318	6.9
Africans		127	10.3
MINING			
Whites		755	2.3
Coloureds		214	5.8
Asians		280	10.3
Africans		102	7.1

ARGUS  
13/12/77  
348



# WAGES

DEC. 1977 - DEC. 1978

# UK firms put up wages of blacks in SA

RPM 19/12/77

348

By NEIL BEHRMANN

LONDON. — A Department of Trade survey indicates that British firms are improving wages of black workers in South Africa and there has also been some progress on fringe benefits.

In reply to a question in Parliament, the Secretary of State for Trade, Mr Edmund Dell, said information made available by British subsidiaries in South Africa showed "progress in improving African wages and some improvement on fringe benefits."

The assessment is based on reports published by British companies, or on information sent to the department of Trade between January 1, 1975, and February 28, 1977.

Companies provided this material in response to an invitation to publish information on the progress made by their South African subsidiaries bettering black wages and other conditions of employment.

The assessment was based on 189 reports, but only 43 companies provided all the information requested. Analysis was difficult because of the absence of basic standards.

But the findings are that seven

companies paid 728 employees wages below the poverty datum line (DL). The lowest possible amount on which a family can live under humanly decent conditions in the short run, the barest minimum.

Wages of 20 183 employees of 49 companies were below the minimum effective level (MEL), which is 150% of the PDL.

The PDL and MEL levels were provided by the University of Port Elizabeth and the Johannesburg Chamber of Commerce.

There were 29 companies with all employees above the MEL.

The Department of Trade says that though the assessment is limited in the number of companies covered, the increases probably reflect a general position.

It says wage increases occurred mainly in the earlier part of 1973 to 1976 in the aftermath of a parliamentary inquiry and the interest it generated.

The department says that recent figures in South Africa indicated that average monthly black wages in December, 1976, were: mining R98.80 (plus accommodation, food and other services valued at R30 a month), manufacturing R158.63, and Construction R128.99.



DD 20/12/77

# Starvation wage claims denied (34.8)

JOHANNESBURG — Five British companies operating in South Africa yesterday denied allegations they were paying some of their black workers starvation wages and said information about their companies was not factual.

Spokesmen for the companies were commenting on the allegations, contained in a report to be issued in London this week.

The companies were paying low wages to blacks in spite of a recommendation by a Parliamentary committee three years ago that the minimum target should be at least 50 per cent above family subsistence levels, according to the report.

Among the names of the

companies, which will be published by the British Trade Secretary this week, are: British Electric Traction, Burmah Oil, C. T. Bowring, Delta Metal, Low and Bonar Group, and Turner and Newall.

The managing director of C. T. Bowring, Mr K. G. Palmer, said the allegations concerning his company were "completely unfactual and too ridiculous for words."

He said none of the company's black clerical workers were paid below the poverty datum line.

"Where they got this information from baffles me."

"It's totally inaccurate. They should come along and talk to our black workers," he said. —DDC.

# Wage gap narrows in most sectors

*Nov 11/1/78*  
*348*

**Jaap Boekkool**

The living standards of many whites have been falling during the past five years and those of blacks have been rising sharply.

The latest quarterly report of the Department of Statistics shows that during the five years from 1972 to 1976 wages of South African blacks rose by an average of 150 percent, more than twice as fast as those of whites.

In almost every sector of the economy the wage gap is being narrowed, in some cases quite dramatically.

## RAND DOWN

The latest average monthly wage for African workers is almost one quarter of the average monthly white wage. In 1972 it was one-seventh of the white wage.

But black workers still earned an average of only R120 a month during the last quarter of 1976 (against R48 five years before), compared with R536 the average white worker found in his monthly pay envelope.

Department of Statistics figures indicates that South Africans of all races became more prosperous during the five years, during which a boom was followed by a slump.

From 1972 to the end of 1976 the value of the rand (taking the 1970 rand as 100 cents) fell from 88c to 57c as compound inflation soared to 54,2 percent.

## UPGRADED

But the average wages of South Africans rose still faster, particularly among black workers (150 percent), Asians (97,3 percent) and coloured workers (79,2 percent).

The lowest rise, 70,7 percent, among white workers was still well above the inflation figure given by the Stellenbosch University Bureau for Economic Research.

On the mines and in quarries black wages rose four times as fast as those of whites, and the central government gave almost five times more increases.

To Page 3, Col 3

# Wage gap narrows for many

►► From page 1

in percentages, to black workers than to whites in the civil service.

The average increases in manufacture were 73,7 percent for black workers, 64,6 percent for Asians, 46,7 percent for whites and 38,4 percent for coloured workers.

The last low increase may be explained by the fact that more coloured factory workers have upgraded themselves to higher-paid office work.

Yet despite the rises, the mean annual income of a black factory worker in 1976 was just below R1 500 (up from R861 in 1973) compared with the relative wealth of white factory workers, whose mean annual earnings were R6 850.

Among the lowest increases during the four years between 1973 and 1976, when compound inflation was 40,8 percent, were those paid by the hotel and transport trades.

The economic difficulties of construction companies were also reflected in low wage increases during the four years.

Despite the narrowing of the wage gap among South African workers of all races, white workers on average still earn more than twice as much than average workers of any other race.



## ***African wages up***

(355)

Financial Reporter

NM 17/3/78

WAGES of Durban's unskilled Africans have risen by 77 percent in four years with the average now being R31,99 a week a quarterly survey of the Natal Chamber of Industries shows.

This compares with an increase of over 60 percent for the same period on the White-family based Consumer Price Index.

Forty-three Natal firms with 11 886 employees took part in the last survey which concerns the manufacturing industry.

The increase is almost 20 percent a year and compares favourably with the Household Subsistence Level in Durban of R133,71 a month last December.

# Big pay hike for top civil servants

CAPE TOWN — Senior civil servants have been granted what are believed to be their biggest ever pay increases in a Government move to restructure the "top bracket" of the public service.

The chairman of the Public Service Commission, who will receive an extra R2 970 a year, bringing his salary to R22 170 a year, gets the biggest boost to his income.

But departmental secretaries, whose incomes will shoot up by R2 250 from R16 800 to R19 050, are not far behind.

In most cases the increases vary between 12 and 15 per cent compared with the blanket five per cent recently announced for rank-and-file civil servants.

According to a spokesman for the Public Service Commission, "a certain amount of money has been voted to give the top bracket of civil servant a boost."

He emphasised, however, that the increases did not involve lower echelon staff who would be accorded the standard five per cent recently announced.

The increases were not formally announced by the Government but came to light when the Government's estimates of expenditure tabled in Parliament after Wednesday's budget were examined.

Other detailed salary increases published in the estimates include those of the Prime Minister, Cabinet Ministers and Deputy Ministers.

Mr Vorster's gross remuneration has been increased from R57 723 to R63 177. This is broken down into a salary of R43 224 and a "reimburse-

sive" allowance of R19 953. According to official sources, the reimbursive allowance is "more or less" an entertainment allowance, similar to what any company managing director would receive to cover out of pocket expenses. It was really just an upgraded version of an MP's allowance, which he gets on top of his salary.

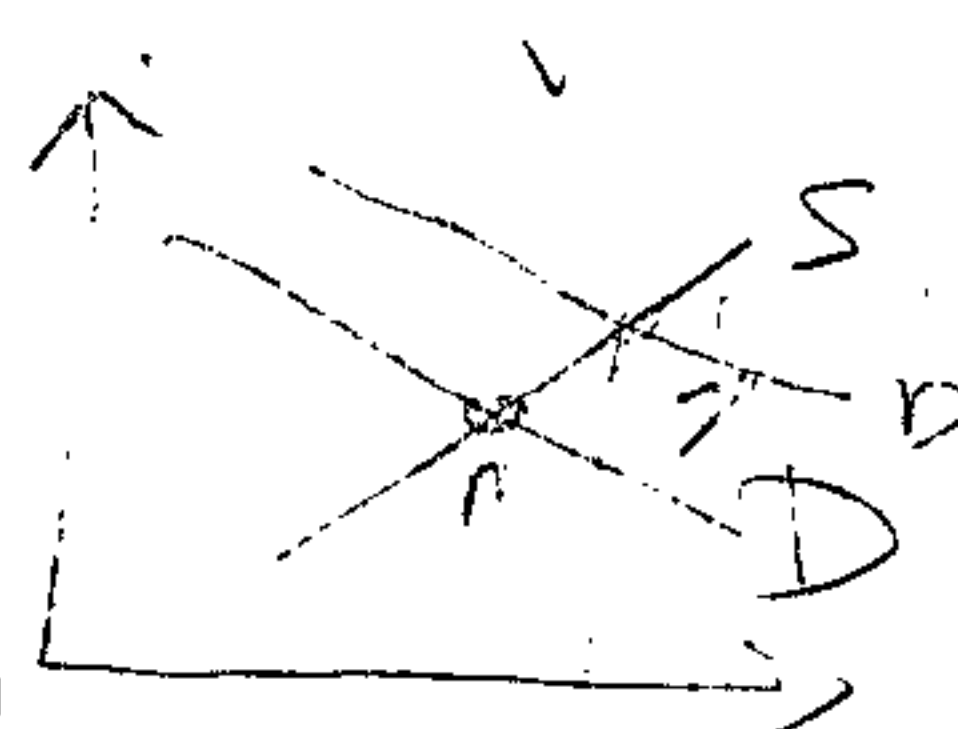
Cabinet Ministers' gross pay has risen from R27 300 to R30 345. This consists of a basic salary amounting to R23 592 and a reimbursive allowance of R6 753.

Deputy Ministers will

receive a total increase of just on R3 000 — from R23 183 to R26 025. Their new pay is divided into a salary of R19 272 and reimbursive allowance of R6 753.

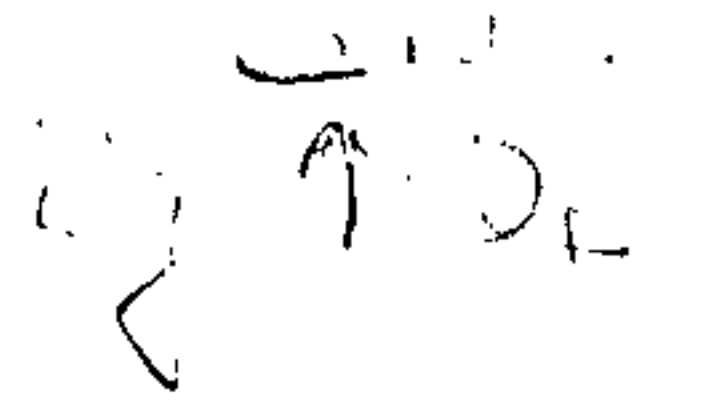
South Africa's 165 MPs will cost the country a total of R2 598 800 in salaries and allowances. The 51 Senators — who are expected to become redundant next year — are expected to cost R842 000.

The cost of Parliament itself, with all its staff and facilities, should set the country back an estimated R2 777 000, excluding MPs' salaries. — PC.



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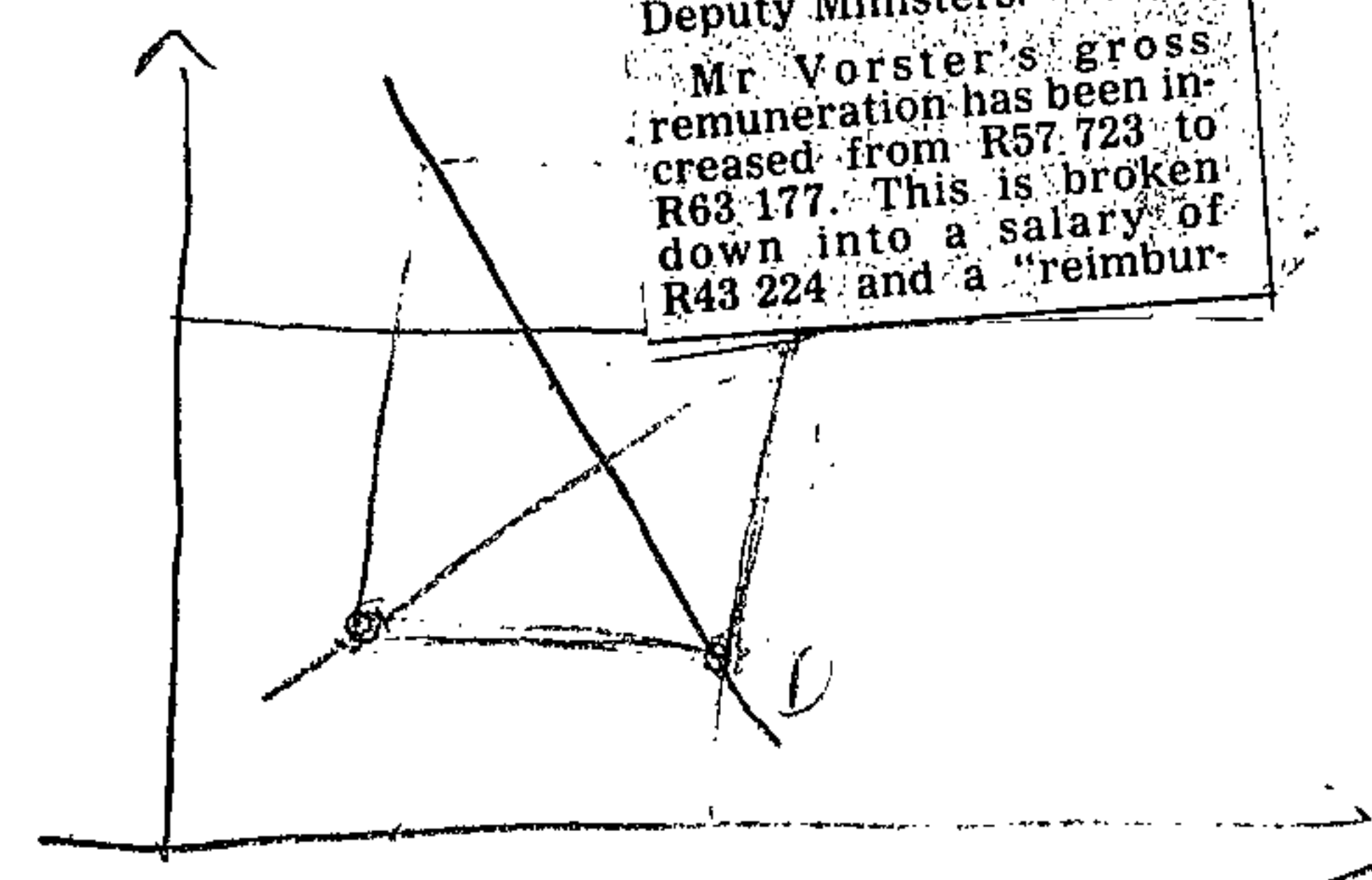
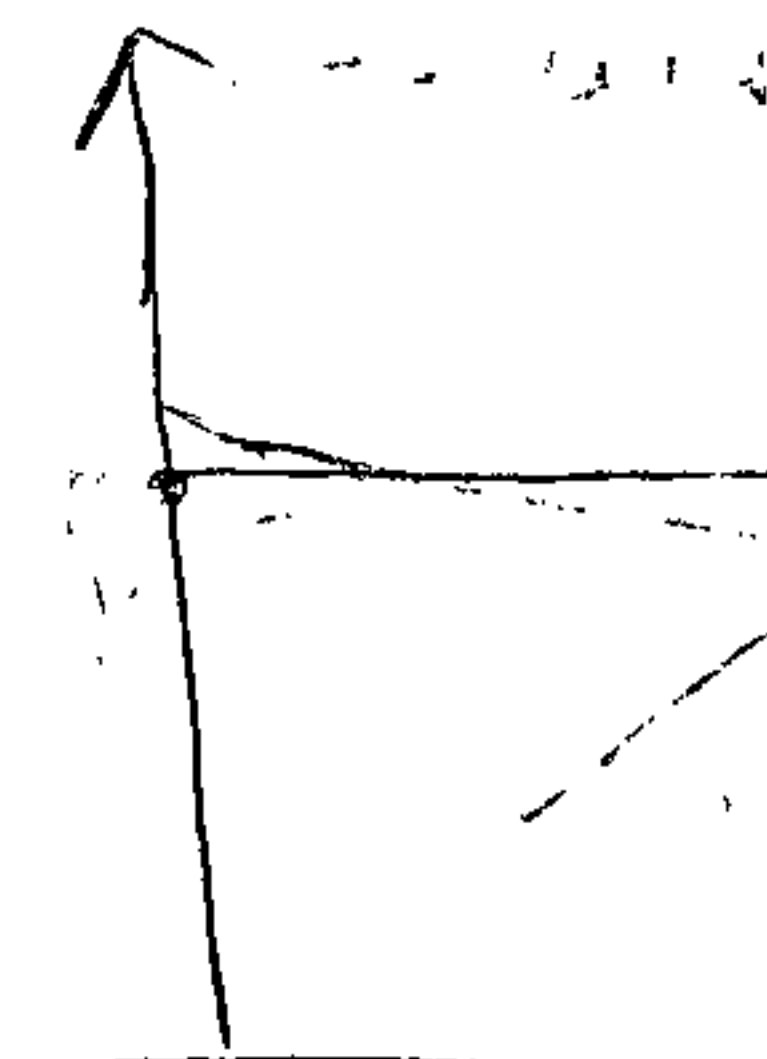
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Vreelys aan pla

# Pay gap getting smaller Botha

Political Staff

HOUSE OF ASSEMBLY. —

All race groups, serving in the South African forces in the operational area, now receive the same "special camp allowance", the Minister of Defence, Mr P W Botha, said yesterday.

The minister, who was replying to questions asked by Mr John Wiley (SAP Simonstown) said that other pay for soldiers who are not white was not yet equal to that of whites "but the gap is being narrowed as and when circumstances permit in accordance with the government's declared policy".

Mr Wiley, who has repeatedly pleaded for equal pay for all soldiers, airmen and sailors irrespective of race, warned in Parliament earlier in the session that unless this was adjusted South Africa would be guilty of "the most unfair form of discrimination".

Yesterday he welcomed the minister's reply.

"It is good news, even if long overdue. There can be no possible justification for coloured soldiers being paid less than whites defending South Africa from our joint enemies," he said.

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Aan toevallige en kontratarbeiders

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# SA WERKKEER NOU BAIER

## BETTER AF

deppent 23/4/78

355

**WERKSVORREGTE** vir die swart werker in Suid-Afrika het in die laaste vyf jaar aansienlik verbeter. Meer as een uit drie maatskappye het in dié tydperk hul pensioen- en groeplewensvoorregte vir die swartman baie verstewig. So sê mnr. Monty Hilkowitz, hoofbestuurder van die Liberty-Lewensgenootskap. Hy het in New York gepraat by die jaarlikse konferensie vir Internasionale-Werkers voorregte, in dié stad se World Trade-Sentrum.

Mnr. Hilkowitz se referaat het dit bo twyfel getoon dat plaaslike sowel as oorsese maatskappye in Suid-Afrika self verbeteringe ten opsigte van werksvoorregte vir hul swart werkers tussen 1973 en 1977 gemaak het, in 'n poging om diskriminasie op grond van kleur teen te werk.

Hy het na 'n opname van Liberty-lewensverwys, waarin die werksvoorregte van die 100 vernaamste maatskappye in Suid-Afrika ondersoek is. Hierdie opname het ge-

toon dat 46 uit die 100 geen onderskeid op grond van kleur ten opsigte van werksvoorregte maak nie, terwyl net 16 uit die 100 minimaal gedifferensieer het.

Sewentig uit die 100 was Suid-Afrikaanse maatskappye en die oorblywende 30 takke van oorsese ondernemings. Die aantal wat nie onderskei nie, of net 'n geringe onderskeid maak is dieselfde vir die Suid-Afrikaanse as vir die oorsese maatskappye.

Die ongeveer 830 000 staatsamptenare is ook by die opname ingesluit, waar dit geblyk het dat daar in dié sektor geen onderskeid ten opsigte van pensioensvoorregte volgens ras gemaak word nie.

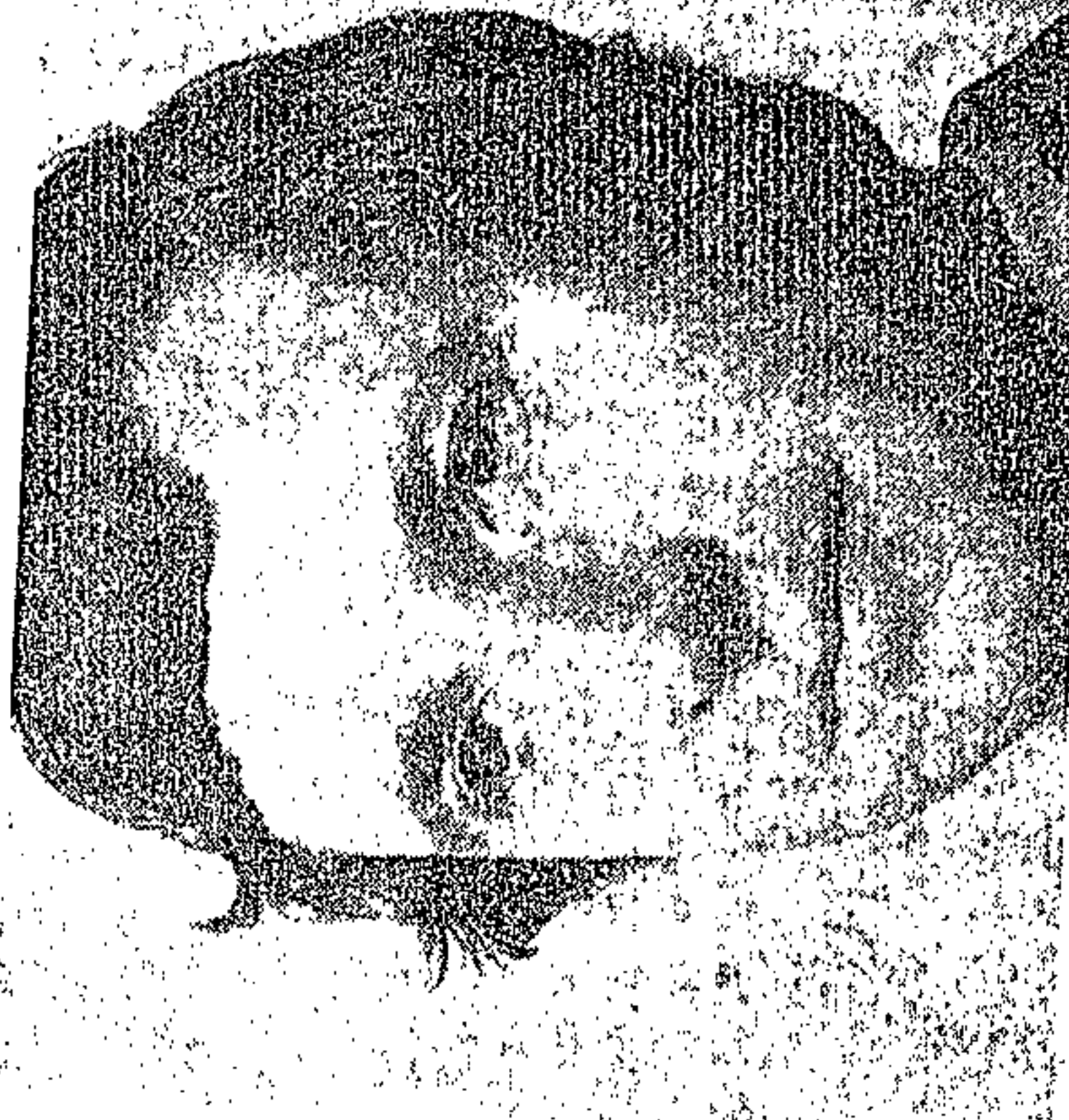
"Ons opname," het mnr. Hilkowitz gesê, "het ook 'n radikale vernouing van die loongaping aangetoon. Aangesien werksvoorregte aan salarisse gekoppel word, het die bestaande gaping voordele 'n hog' ge- raak. 'n Opgawe van gemiddelde lone in 1966 en 1967 wys egter dat die groei in blanke salarisse in alle

bedrywe laer was as dié vir swart en bruin personeel. "In die mynbedryf het lone vir swart werkers ses keer vermenigvuldig, teenoor net drie keer vir blanke werkers, terwyl in die algemene vervaardigingsbedryf die verhouding drie tot twee ten gunste van die swartman was." Mnr. Hilkowitz het gesê dat die Sullivan-beginsels — 'n nie-diskriminerende indiensnemingskodifikasie wat Pastoor Leon Sullivan, 'n direkteur van General Motors, vir Amerikaanse maatskappye in Suid-Afrika geformuleer het — reeds deurtalle Suid-Afrikaanse asook die ongeveer 350 Amerikaanse maatskappye in die Republiek toegepas word.

"Ons opname het gevind dat hierdie beginsels nou al geruime tyd deur die meeste werknemers in Suid-Afrika toegepas word," het mnr. Hilkowitz gesê. "Hoewel Sullivan die benadering met sy kodifikasie geformuleer het en die struktuur vir verandering vasgelê het, glo ek dat hierdie neiging en benadering op alle gebiede van

Staatsvoorregte is minmaal. Voorregte soos die Amerikaanse "Social Security" en die Britse "National Insurance" is feitlik totaal onbekend in Suid-Afrika.

Mnr. Hilkowitz se toespraak het verder bestaan uit 'n oorsig om die Suid-Afrikaanse ekonomiese klimaat, 'n samevatting van dié land se pensioen- en groeplewensvoorregte, statutêre oorweging, die bestaande werksvoorregte, belasting en beleggings.



MNR. MONTY HILKOWITZ, hoofbestuurder van die Liberty-Lewensgenootskap, die swart werker se voorregte in Suid-Afrika het aansienlik verbeter.

die Suid-Afrikaanse leefwyse reeds lank aan die ontwikkel was.

Met verwysing na die struktuur van werksvoorregte in Suid-Afrika het mnr. Hilkowitz beklemtoon dat, anders as in verskeie Westerse lande, werksvoorregte bykans heeltemal deur die private sektor gefinansier word.

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# Living wage a worker's right says Bishop

4/2/78

355

EAST LONDON — The Church had a serious duty to champion the right of the masses to a living wage the Catholic Bishop of Port Elizabeth, the Rt Rev John Murphy, said at the weekend.

In a letter read at every church in East London—which is in the Port Elizabeth diocese — on Sunday, Bishop Murphy said employers could do much to improve their workers' lot.

"It is urgently necessary in our country that a minimum wage enabling all families to live above the poverty datum line be secured for all workers for whom it is not laid down at present.

"It is now more urgent than ever before due to the high cost of living and the high incidence of unemployment," said the Bishop.

The urgency was particularly important for the black community where the number of unemployed had reached frightening proportions and had reversed the role

of the husband and wife in many homes.

"The father of the home is no longer the breadwinner, he is idle because he is unable to find employment."

The mother often took the role of the breadwinner and far too frequently her salary was "a mere pittance".

Bishop Murphy said recent statistics in many parts of the country showed a deplorable disparity between work done and wages received.

"This is no longer a matter of being benevolent — this is a matter of justice and a very real call to conscience," he said.

The employee was also bound by the law of justice, said the Bishop. An honest day's work was expected for an honest wage. Ordinary good care must be taken of property given to the employee for safe-keeping or use.

Justice became easy when there was mutual respect and confidence between the employer and

employee — when one acknowledged the dignity and value of the other.

The Bishop said there were families throughout the diocese who were in absolute poverty, on starvation diet, who were unable to pay rental on their homes and who did not have the bus-fare to go in search of work.

"What can we do to alleviate their distress?"

Bishop Murphy suggested every parish, every religious community, every person who had an income should contribute an agreed percentage of their monthly income towards a fund for the poor.

Such a fund would be administered by a small committee in each distressed area.

Representatives of the Justice and Reconciliation Commission would call on each parish to assist people in determining what the various categories of employees should be paid and to submit suggestions of how to assist the poor.

BBR.

WAGES TM 7/7/78

355

## The price of equality

Two separate problems face businessmen aiming at more equitable pay policies. Besides integrating the pay curves to give white males, white females and blacks the same for the job, employers must ensure that the black dominated lower categories receive a livable wage.

Pay curves still display remarkable disparities. White males in skilled and supervisory jobs, for instance, average 14% more than white females in the same job, says Peromnes, a salary research unit, in its 1978 salary survey.

Blacks in the same category trail 31% behind the women. The white average, it is true, is pushed up by the longer average tenure, since blacks only recently entered this category, and women tend to have a high turnover.

"Not only are blacks underpaid," Peromnes chairman Dawie Gouws told a seminar this week, "but in some situations white males are overpaid relative to their contribution to the company. Artificial scarcity results in massive pay hikes for people like artisans, whose pay shot up by 12% this year."

The problem is to slow down white males and allow the rest to catch up — without endangering productivity or incentive.

"Changes have to be implemented

gradually, depending on available money," said Mike Burgess, Group Personnel Manager at Anglo Alpha, which has been grappling with the problems since early last year.

The major expense lies in raising wages in the lower categories. Anglo Alpha calculations revealed that wage increases of up to 30% were necessary to ensure a livable pay packet for the workers. Corresponding rises in productivity are negligible.

"Can we afford to?" bleat many businessmen. "Can we afford not to?" is Burgess's retort.

But pay hikes are only one part of the story. Blacks remain clustered in the lower job categories, very few even making it into the monthly paid sector. It's no good just paying blacks more for the same job — they must be moved up the job-type scale as well.

That's where education makes a difference.



21/8/78

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AM

## Bigger wage rise claims are coming

PRETORIA — Wage increase demands will become bigger and more insistent because of the 4.2 per cent rise in the consumer price index in July — the first full month of the operation of the general sales tax.

This is the view of labour leaders here who all criticised the Minister of Finance, Sen Horwood, for "misleading the country on the effects of the four per cent tax."

They warned that wage increases for the past two years had been totally inadequate to compensate for the price spiral.

The president of the South African Confederation of Labour, Mr Attide Nieuwoudt, said the Artisans Staff Association would lay a claim for increased earnings before the Minister of Transport, Mr Mulder, early next month.

"However, the claim we intended making will now be reviewed and increased before we see the Minister."

Economists, he said, had warned the ASA that the full inflationary effects of the GST had not yet been fully felt, and that pressure for further price escalation was still in the pipeline.

The executive director of the Association of Chambers of Commerce, Mr Raymond Parsons, claimed it was too early to draw any conclusions from the single jump in the rate of inflation for July.

The trend, he said, would have to persist for a few months before it could be said that the previous six months fall in the inflation rate had been permanently reversed.

Certainly, he said, the position would have to be watched, but there were unusual circumstances in July.

The reduction and elimination of sales duties from the beginning of July could not have worked through to the consumer in a month.

Firms had indicated, too, they had been absorbing cost increases such as higher rail and electricity charges for months, and that they would raise their prices as a whole with the advent of the GST.

Price increases, therefore, had been "bunched." Consumer exploitation "does not come into the picture," Mr Parsons said. — DDC.

# Big pay rise for unskilled blacks

Pretoria Bureau

The Wage Board has recommended a 53 percent increase in the R15 minimum wage payable to black men doing unskilled work on the Witwatersrand.

Part of the proposed increase from R15 to R23 would be deferred for one year to enable employers to adjust. The recommended commencing wage for the first 12 months is R21.50 for the Pretoria-Witwatersrand-Vereeniging area.

The figures will serve as rock-bottom minimum for negotiated wage agreements.

Proposals for new weekly minimums for unskilled male workers, ranging from R16 in Kimberley to R23 in Cape Town, were gazetted in Pretoria today with an invitation for

comments from interested parties.

For the PWV area the Wage Board has also proposed the following increases for unskilled labour:

- Daily workers — from R3.10 to R4.50 a day.
- Watchmen — from R17.20 a week to R24.70.
- Women workers — from R12 to R17.20.
- Teenage males — from R11.30 to R17.30.

The proposed minimum for adult male workers in Durban is R21.50 for the first 12 months, then R23, as against the existing R15 minimum. In Maritzburg the proposed minimum goes up from R14 to R19.50 for the first 12 months followed by R21.

In the Cape Peninsula the suggested minimum for adult male workers is R23 for the first 12 months and then R24.50 as against the present minimum of R16.50.

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REMERGED

GOALS	OBJECTIVES	SELECTION OF VHM'S	NUMBER OF VHM'S
<p>To obtain optimal contact between institutional health &amp; consumer by training VHM's</p> <p>Assist VHM in identifying local health needs/problems solving the above after one year VHM's provide simple curative care</p>	<p>By mothers attending MCH clinics through: Chief, MO, or sister in charge</p> <p>Originally 10; 2 dropped out; one added. "Up to 120 in near future."</p>	<p>Each community chose 5 volunteers; hospital staff selected 2 staff members for VHM Programme</p> <p>Second pitso called for selection of VHM's</p>	<p>2 to 4 each village</p>
<p>The improvement of the level of health in the villages in the Scott Hospital region</p> <p>To establish community based health service structure by identifying VHM tasks</p> <p>programme villages team identification selection of VHM's for training and followup improvement of: coordination &amp; communication between health agencies working in the area health knowledge &amp; motivation</p> <p>Development of health Education materials</p>	<p>Village pitso called by chief to discuss VHM programme</p> <p>Second pitso called for selection of VHM's</p>	<p>Each community chose 5 volunteers; hospital staff selected 2 staff members for VHM Programme</p>	<p>2 to 4 each village</p>
<p>Getting people involved in their own health care</p> <p>That women chosen by their own people accept certain designated responsibilities in their own villages</p>	<p>Improvement of: coordination &amp; communication between health agencies working in the area health knowledge &amp; motivation</p> <p>Development of health Education materials</p>	<p>Each community chose 5 volunteers; hospital staff selected 2 staff members for VHM Programme</p>	<p>2 to 4 each village</p>

TABLEAU EXISTING THREE VHM PROGRAMMES



## THE HOOLIGAN RIOTS

Cape Town : August 1906

- 1 -

'Hooligan' is a word with an ancient Anglo-Saxon sound about it. In fact it is a surprisingly modern formation, first occurring in print in the London daily press during the English summer of 1898, though it was also used in the music-hall.

uncertain, but it appears to it as a 'perversion' of 'Hool' remains obscure, others take family' in some music hall con meaning is clear: a 'hooliga is a 'young street tough' or was first used in the South term was obviously well esta became the scene of one of t

had ever known, the outbreak was immediately ascribed to the activities of 'hooligans' and one paper, the Cape Argus headlined its account of the disturbances THE HOOLIGAN RIOTS. In fact the riots were a much more complex phenomenon than the emotive label attached to them would suggest. The object of this paper is primarily to unravel this complexity.

Of their very nature dramatic events - wars, revolutions, riots, strikes, political crises - have a magnetic appeal for the historian. Tension, excitement, unpredictability, the range of characters, the clash of personalities - features such as these present a stimulating challenge to any historian who still retains a belief in the literary nature of his craft, who seeks to construct a clear and compelling narrative. But to extract the full interest out of any dramatic event one must go beyond straightforward narrative. Events that are full of action highlight emotion and lead to the expression of social attitudes which in ordinary circumstances rarely come to the surface or are seldom allowed to be articulated. The process of analysing the causes of such events is not unlike throwing a stone into a pond and watching the ripples spread outward in ever widening circles, for the historian finds himself led to consider aspects of society of which previously he may well have been/...

have been entirely unaware. Here indeed is the justification of an intelligent form of empiricism. For if the historian does his work properly, the end result must surely be a deeper knowledge of a particular society and a clearer understanding of the interconnection of the various forces, social, ideological and economic, at work within it. Such an understanding is to be achieved not by the application of any theory but rather by a careful examination of the available material, by the asking

questions and by the following up of each

# AVERAGE PAY OF BLACKS UP 28.1 pc

The Argus Correspondent

JOHANNESBURG. — A big rise in the rate of pay increases for blacks is disclosed in the latest survey of a leading management consultancy, Urwick International.

Average increases of 28.1 percent were granted to blacks — compared with 8.2 percent for whites — in the 12 months to July.

For the first time the racial wage gap has been narrowed, says Mr Malcolm Schofield, a director of Urwick International.

It would be closed in about six years if the current rates of pay increases were maintained for blacks as well as whites.

### COLOURED WORKERS

The 28.1 percent increases for the past year are well above the 16.7 percent increases granted to blacks the previous year.

The comparative increases for Coloured workers are 13.9 percent and for Asians 10.5 percent.

However, the median wages of blacks from unskilled to skilled categories still vary from 44 percent to 50 percent of whites' wages in comparative categories.

Urwick's calculations are based on a survey of more than 350 companies reflecting all employment sectors.

confined to a single myself was first made records of criminal ca 4, 1906 a certain Otto to twelve months imprisoned my curiosity at

Cape Times, the Cape Argus The newspapers provided detailed narratives of

illustrated weekly supplements to the Cape daily papers for this particular period appear to have survived; so it has not been possible to document the narrative with contemporary photographs.) Further information was available from the verbatim proceedings of the various criminal cases that arose out of the riots, while the records of the Attorney General's office preserved in the Cape Archives provided some insight into official reactions. The riots were triggered off by a demonstration of the unemployed organised by the Social Democratic Federation. To understand the implications of such a demonstration one must look at the labour situation in the Colony at the time and this in turn leads one to consider, even if in a very cursory manner, the economic position of the Cape in the years after the Anglo-Boer war.

Those most/...



was misunderstood by many critics, partly as a result of his own ambiguity. He did not claim that a stable group family prevailed.

Group marriage, which in these instances from Australia is still marriage of sections, mass marriage ~~of~~<sup>the</sup> ~~tribe~~<sup>tribes</sup> Section of men, often scattered over the whole continent, with a equally widely distributed section of women—this group marriage, seen close at hand, does not look quite so terrible as the philistine, whose mind cannot get beyond brothels, imagines it to be.

The Australian aborigine wandering hunter depends of miles from assistance. remote among people whose language he does not understand. Walk through an endless forest as a very camp and every tribe which who give them interest on bank with his business deal without Resellersch; ornamental doors led by Chiberti, a cathedral bell tower built by Giotto, statues sculpted by what Engels described as "the artist".

The Star Thursday September 7 1978

Firm's big  
rises (355)  
narrow  
wage gap

By Sieg Hannig, Labour Reporter

A staggering rise in the rate of pay increases for blacks has been revealed in the latest survey of a leading management consultancy, Urwick International.

Average increases of 28.1 percent were granted to blacks — compared with 8.2 percent for whites — during the year ending June 30. This takes into account the July pay rises.

"For the first time the racial wage gap has been narrowed," said Mr Malcolm Schofield, a director of Urwick International.

"And it would be closed in about six years if the current rates of pay increases were maintained for blacks as well as whites."

The 28.1 percent increases for the past year are way above the 16.7 percent increases granted to blacks the previous year.

The comparative increases for coloured workers are 13,9 percent and those for Asians 10,5 percent.

**VARY**

However, the median wages of blacks from unskilled to skilled categories still vary from 44 percent to 50 percent of whites' wages in comparative categories.

Urwick's calculations are based on a survey of more than 350 companies reflecting all South African employment sectors.

"Employers' pay policies seem to have undergone a fundamental change," said

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CRISIS OF MAN TO DEVELOP A Viable alternative to the materially discredited strategy and in view of the passion which nudged all medieval art have left reminders of ideological awkward and seem out of place. Then, in the trecento the announcement of the family has also suffered from one distinctive beginning, have tended to ignore the important materials or times, or more accurately, history before we started language if we can't (see p. 76). In 1434, Donatello fully restored the claim of our part out of our view anthropology and archaeology, the same limit of anthropologists, their view of humankind could use some historical perspective, its frank, almost aggressive nudity, the Donatello David break with the Christian tradition.<sup>45</sup> From then on, the nude was in Renaissance art; later, particularly in Venice, it came to express

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# I

fection in our own times, upon a broad and genuine view of society and social change. Anthropologists through the years have brought out the debate notion that the arts somehow express the basic biological elements with which we tend to deal most narrowly with social and physical elements: the times or *Zeitgeist*—is far from self-evident and has proved elusive. They assert and try to demonstrate that no known societies premonstrated rational scientific thought at the time that it was known as such. Primitive societies described by Engels as the 'middle stream' of the historical process may hold great interest for the study of early stages of human sculpture and classical painting. Their plastic behaviour is partly a stage of human development, but it is with great delicacy that such evidence must be drawn from these vestigial remnants of an earlier history, retaining details that are of great social and cultural importance. The observations, evidence and aesthetic judgment of the artist are of great importance. As Eleanor

The attention focused on the Morgan material has obscured other aspects of Engels's highly polemical *Origins*. For example, in the introduction (1957, 130) he still to be discovered. What was the effect of the rise of surplus in the sixteenth century (the thirteen hundred is the twenty, the fifteenth century, the fourteenth century) on the relations between men and women? How valid is the assertion that in non-wealth-producing societies, *Rachmanow* and *Yessir* work was as important for survival as men's salt with which it is English through it, both were equally involved in the production process, equality between men and women prevailed? What was the impact of excluding women from the process of production, not as

[illegible]



## WAGES

### Little by little

FM 22/9/78

The Wage Board has recommended that the minimum wage an employer can pay an unskilled worker be raised by between 39% and 62%. That is not likely to satisfy the Board's critics.

Certainly the speakers at this week's Tucsia conference who criticised the minimum wage levels laid down by the Board this year will be quick to point out that the percentage hike doesn't make up for the rise in either the CPI or the Poverty Datum Line in the five years since the Board last pronounced on the pay of the unskilled.

The CPI has risen by around 75% since then, the African PDL has just about doubled. So not only are the minimum wages well below the PDL, but the rock-bottom legally acceptable wage has actually declined in real terms since 1973.

This week's recommendations are the result of a Wage Board probe into unskilled wages, which will lead to the gazetting of a legally binding wage determination. It covers all unskilled workers whose wages are not regulated by an industrial agreement — 64 jobs are covered in the Transvaal alone. The determination is not only the key wage regulating measure in unorganised industries. It has significance for the organised as well.

The Department of Labour will not, for example, ratify any industrial agreement which lays down minima lower than those in the unskilled determination. So, while the determination affects only those workers not covered by an industrial council, its effect is felt throughout industry.

This time, the Board has recommended (interested parties have 30 days to object before it becomes a legally binding determination) a minimum of R23 a week for adult men in the Cape Peninsula, R21,50 for Durban, the Reef and Port Elizabeth, R20 for Uitenhage and R19,50 for Bloemfontein, Kimberley and East London.

For women, the minima are lower, ranging from R18,40 in the Cape, R17,20 on the Reef, to R15,60 in Bloemfontein, Kimberley and East London. For juveniles, they're lowest of all — from R17,30 in the Peninsula to R14,60 in Bloemfontein.

In percentage terms, the increase is highest in East London (63%) and lowest

There's no doubt that the Board tries its best to squeeze rates up despite this factor. But this week's recommendation suggests that, when it comes to fixing wages, there's no substitute for free bargaining between employer and worker representatives.

determination is out of date before it becomes law).

So why the relatively small rise? Wage Board chairman Izak Claassen wasn't available for comment this week, but he's argued in the past that the Board is constrained by the need to be guided by the ability of employers to pay increased rates.

This very often means, critics argue, that the Board is more influenced by the profitability of the smaller, less-profitable, concerns than by their well-heeled counterparts, thus bringing the average down.

in Cape Town, Bloemfontein and Kimberley (39%). In addition, the proposal provides for an automatic rise after the proposed determination has been in force for a year — R1,50 for men, R1,20 for women and R1,10 for juveniles in most cases.

The Board's suggestion for the Peninsula is lower even than the minimum suggested by the Cape Employers Association almost a year ago (the investigation which led to this week's recommendation was started about a year ago and a perennial union complaint has been that these long delays mean that the

# More jobs, illusory pay rises

ROM Bus. 16/10/78 (355)

Financial Reporter

THERE will be an increase in employment this year and therefore in salaries and wages, says Barclays National Bank in its Business Brief, but South Africans are unlikely to feel the increases in real terms.

Barclays says an increase of between 9% and 10% this year would tend to produce an inflation rate of about the same or higher, but would represent no increase in salaries and wages in real terms, and hence no real increase in total demand from this source.

Greater consumer confidence and a resultant increase in the propensity to consume should help to push up total demand, but it will be limited by the failure of wage and salary increases to show real growth.

"We are likely once again to be largely dependent on a substantial rise in other incomes in real terms and hence, by implication, on a continued exceptional export performance.

"This, of course, is a situation which would still tend to keep real economic growth in 1978 relatively restricted," Barclays says.

Replying to the question on the size of their likely salary and wage increases for the current year, 42% of the firms responding to Barclays quarterly survey of the business outlook said they were likely to increase salaries by between 9% and 10% for 1978. About 25% said they would increase salaries and wages by less than 9% and 23% expected salary and wage increases of between 10% and 12% or more.

"The rate at which salaries and wages are increased is, of course, of crucial importance for economic expansion generally," says Barclays.

"Not only do salaries and wages constitute a major element of costs in the economy but they also make up a major

portion of total demand. Hence salary and wage increases are a major determinant of price increases and of the inflation rate, as well as of the rate of increase in total demand.

"Moreover, the relationship between salary and wage increases and the inflation rate at any time is a major determinant of the increase in total demand in real terms and hence of the real GDP growth rate."

Any real increase in total demand would, therefore, have to come from an increase in other incomes — mainly dividends, non-corporate profits and farmers' incomes — in excess of the inflation rate and from additions to the total salary and wage bill derived from new workers taken into employment.

"An increase in the propensity to spend out of available incomes also adds to total demand in real terms," Barclays says.

"Last year, total salaries and wages dropped by about 1% in real terms because of a similar decrease in the total work force, and salary and wage increases for workers already in employment probably barely kept pace with the inflation rate.

"Fortunately, the negative impact of the decrease in real salaries and wages on the economic growth rate was offset by an increase of 10% in other incomes in real terms, which was largely the result of a very strong rise in incomes and profits derived from agricultural and mineral exports, including gold."



# Weighing professors and postmen

The problem is familiar enough to fathers. One of your children asks for more pocket money. Yes, you can afford it, but then you will have to give more to the others. That you cannot afford.

This is essentially the problem the Cabinet has to tackle as it deals with a fresh round of public service pay demands, except that it is not dealing with compliant children but with an increasingly angry band of railwaymen and academics, the two groups most actively pressing their demands at present.

The railwaymen, who usually spearhead public service pay claims, are doing so again. Members of the Artisan Staff Association, which failed to win an increase in an arbitration hearing earlier this year, have passed no-confidence votes in Transport Minister Louwrens Muller. Some have threatened to strike. Another railway union, the Footplate Staff Association, has an arbitration case pending.

The academics, who traditionally wait for others to take the lead, are now pressing their own claims. It is the first time, say academics, that they are not waiting for someone else to do the pushing for them. Some have even threatened to strike.

Both groups have particular gripes. The universities are irked because Education Minister Piet Koornhof gave school teachers and education college lecturers a new deal earlier this year that altered teachers' pay scales and closed the sexual and racial wage gaps. The effect of this was that teachers received larger pay

hikes than university staff, who only enjoyed the 5% hike awarded to the rest of the public sector.

There is also a feeling, especially at the Afrikaans universities, that university teaching is a prestige profession that should not be treated as just another part of the public service. "Not only are salaries low, there's no scope for incentives or bonuses above a laid-down ceiling," says one academic. Most want pay scales unrelated to the rest of the public service.

FM 12/10/78

ing," says one academic. Most want pay scales unrelated to the rest of the public service.

The railwaymen, meanwhile, argue that they should not be lumped together with the rest of the public service, either, since the railways are supposed to be run on "business principles." The key to this complaint is the feeling that wages on the railways should be set by collective bargaining, not by arbitrary hand-outs from the Minister.

Railwaymen are the only public servants represented by effective trade unions and many feel their ability to bargain is impaired by their reliance on ministerial hand-outs.

But as the railwaymen and academics point out, the reality for all white public servants is falling living standards. White earnings in central government service rose by 6% in the year to April 1978 while on the SAR the figure was 6.4% and in the GPO 9.5%. So only the postal service comes close to keeping pace with inflation. White workers' real earnings are of course falling in virtually all sectors, partly because of the recession, partly to accommodate rising black pay.

In central government, African earnings rose by 23% in the April-April period, on the SAR by 14.5%, and in the GPO by 13.5%.

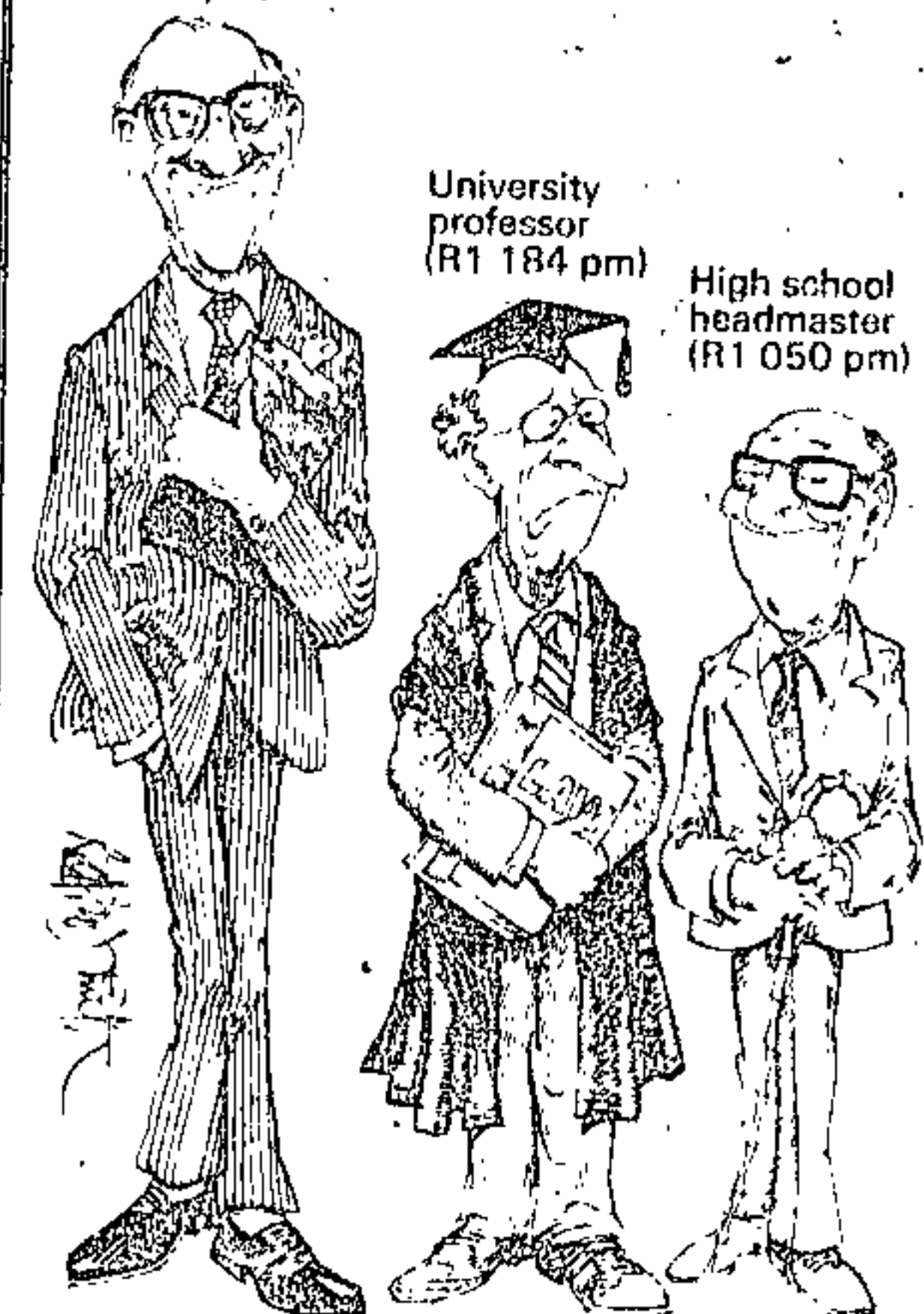
The central government is the only sector where the absolute racial pay gap has narrowed in money terms. Part of the reason is increased job advancement for Africans, part a conscious attempt to

## PROFESSORS' FLIGHT

School inspector  
(R1 425 pm)

University  
professor  
(R1 184 pm)

High school  
headmaster  
(R1 050 pm)



Where there is a salary range the median has been taken

close the gap.

So public servants are to an extent victims of changing patterns. Yet, over that same April-April period, average white earnings in manufacturing rose by 11%.

And of course public servants of all race groups are not as well paid on average as their private sector counterparts. A departmental secretary's R1 600-odd a month (see table) would be scorned by a chief executive in the private sector. University professors would certainly earn a good deal more than R1 300 in the private sector, and a starting BA graduate would get more than the R335 the GPO offers him. The paucity of nurses' pay is well known.

The same is true of workers lower down the scale. In April, average monthly pay of whites in central government was R458, in the SAR R576, and the GPO R455.

In manufacturing, the figure was R665, and in mining R786. African pay, too, lags behind the private sector in all but the central government, despite the advances of recent years. Which leads a university man to complain: "We're forced into the middle income group — and we feel the pinch of inflation more than our counterparts in the private sector."

### The cost of pay

Public service salaries, then, seem to many to be designed to attract only the very dedicated or the very incompetent. Despite this, government remains loath to grant any overall increases.

It uses the pocket money argument. Despite improvements in railway finances, Muller said last week that he was not prepared to give the artisans an increase because he would then have to give one to everyone else in the SAR. He calculated the cost at R125m. And at the back of his mind must have been the likelihood of an SAR increase sparking off similar claims throughout the civil service.

There is no way government could afford to give the entire public service the 10% the railwaymen are asking for — unless it were to print the money. According to FM calculations, a 10%

hike would cost R324m a year in central government service alone and it could be more than that, because African pay would presumably have to be hiked by more than 10% to continue closing the wage gap.

While it may make sense to some to resort to the printing press if the reward is increased consumer spending, government does not see it that way. It quite naturally fears the inflationary consequences.

But can the dike hold? The FM understands the universities are expecting a pay increase soon. The fact that the politically influential Afrikaans universities are backing the demands means they are likely to be successful, say academics. Government may be able to argue that university staff, like teachers, are a special case.

Even so, if the universities get more, government will have difficulty explaining to railwaymen, postmen and bureaucrats why they should not have more too.

The problem is compounded by teachers' expectations of yet another upward adjustment. Their deal with Koornhof was only part of what they wanted, and they are expecting the rest, not necessarily today or tomorrow, but at some stage.

So what should be done? Both universities and teachers have a point when they plead for a special deal to attract talent. Why should SA's educational staffing priorities be tied to our postal staffing priorities?

The railwaymen have an equally compelling case. They are right when they argue that it has been largely their efforts that have won previous increases.

Other civil service staff associations are scarcely militant bargainers. Indeed, they resent being described as trade unions at all. So the railwaymen are also right when they feel that their effectiveness is retarded by the rest of the public service.

So why not throw wage setting in the SAR open to collective bargaining of the sort that takes place in private sector industrial councils? If most of the railway unions are skilled and effective enough to strike a good bargain with SAR manage-

## WHERE YOU START

(Monthly pay)

University junior lecturer .....	R369-R514
White teacher with bachelors degree* .....	R450
Teacher, matric and diploma only† .....	R390
Postal employee with bachelors degree .....	R335
Administrative assistant .....	R193-R403
GPO, with matric only .....	R220
*Women get R390.	
†Women get R330.	

## PAY AT THE TOP

(Monthly pay of senior civil service personnel)

Department Secretary, Commissioner of Police .....	R1 588
Registrar of Financial Institutions, Attorney General .....	R1 458
Principal medical officer .....	R1 182
University professor .....	R1 040-R1 329
White school inspector .....	R1 425
White high school headmaster* (with ordinary degree) .....	R1 050-R1 250
White primary school headmaster* (with ordinary university degree) .....	R950-R1 150
Clinical psychologist .....	R570-R880
*Women receive R50 less.	

Note: These are basic salaries excluding fringe benefits.

## WHAT THE MASSES GET

Average monthly earnings in central government, SAR and GPO

	Whites	Africans
Central government .....	R458	R171
GPO .....	R455	R123
SAR .....	R576	R128
Provincial administration .....	R494	R104
Sundry statutory bodies .....	R647	R96

Note: GPO and SAR figures for April 1978. Others are average for June quarter.

ment, why shouldn't they?

By the same token, if the other associations are content to win increases by cosy behind-doors discussions, or to wait for hand-outs, there is no reason why they should benefit from the effectiveness of others.

In other words, the need to bargain separately with all the separate components of the public service has never been as great. Government should set about doing so.



ADM 26/10/78

# Public servants hope for raise next year

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By GERALD PHELPS

**THE INCREASED** salaries promised to university staff from the beginning of next year have heightened expectations among public servants that the Government plans across-the-board sala-

It is understood that the Public Service Commission is now studying a new salary structure for the service which may be ready for submission to the Cabinet before the end of this year.

The PSA wanted a structure which would make the service more competitive in the labour market.

AS soon as they have had enough experience in State departments they are enticed away by higher earnings in the private sector, he said.

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## WAGE GAP

### Yawning away

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FM 27/10/78

What is happening to the black-white pay gap? It is narrowing, say both Urwick International's salary survey and the Reserve Bank *Quarterly Bulletin*. It is widening, imply official Department of Statistics figures.

The Urwick survey reported that the gap between black and white basic pay had narrowed in money terms for the first time in years this year and confirmed that it had continued to narrow in percentage terms. The *Quarterly Bulletin* indicates a narrowing in the earnings gap in non-agricultural work.

But FM calculations from the Department of Statistics' employment and earning figures indicate that, while the gap narrowed in the mining sector between April 1977 and April 1978 (the last month for which figures are available), it widened in both manufacturing and construction. The same trend is revealed

in the March-March figures.

Between April and April, according to the department's figures, *per capita* white earnings rose by 11,1% in manufacturing and 15,5% in construction. The equivalent figures for Africans were 6% and a paltry 0,7% (in mining white *per capita* earnings rose 1,8%, those of Africans 4,9%).

What is more, figures for February-April this year indicate significantly greater rises in white *per capita* earnings as opposed to those of Africans in all three sectors. In mining the figure was 1,4% as against 0,2%, in manufacturing 3,5% as against 0,9% and in construction 4,2% as against 0,5%.

So who is right? Nobody knows, but Ralph Parrott, MD of Manpower International and chairman of JOBS, a Reef self-help organisation for the workless, believes the gap probably is widening.

"There is little white unemployment and a great deal of black worklessness. It's therefore likely that the gap has widened as the amount a black worker can command has dropped," he says.

Nevertheless, both Urwick's Malcolm Schofield and Statistics Secretary Tjaart du Plessis argue that both could be right. The salary survey concentrates on basic pay rates, they point out, and the department's figures on total earnings. The gap in one could narrow, while that in the other widens.

A key factor here, of course, is overtime pay which, reckons Schofield, can make up as much as 44% of a worker's earnings. Both Schofield and Parrott point out that overtime work has become scarce with the recession and Schofield argues that that could explain the anomaly.

On the factory floor, of course, that is likely to make little difference. Parrott says overtime work tends to be cut back for both race groups and that Africans have not lost more overtime work than whites. Du Plessis argues that a cut-back in both white and black overtime "wouldn't affect the percentage gap between the two groups."

But the Department's figures don't only cover the factory floor. They include white collar jobs where overtime isn't paid and whites predominate. So an overtime cut-back — which, asserts Parrott, has been "drastic" — would affect African *per capita* figures much more.

That's part of the explanation. But it is not the whole picture. Part of the problem must lie in salary surveys themselves. Personnel men point out that salary surveys take in a much smaller sample than the department's survey and that only the more concerned companies tend to take part in the independent private sector surveys.

Says one personnel man: "Salary surveys can never give an accurate impression of national trends. They're

not designed to. What they do give is an indication of going rates in your clients' labour market. And that is very different from what the department does."

So it seems that the Department of Statistics' figures are entitled to more weight. But that still does not explain why the Reserve Bank should come up with a radically different conclusion using similar figures. An answer may be on the way — a Reserve Bank man tells the FM the Bank is working on a study of pay trends which will be ready by November's EAC meeting.

# Easier said than done



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Codes of employment are now the in-thing among companies. Foreign-controlled firms brandish the Sullivan or EEC codes. For local companies there are the Urban Foundation-Saccola guidelines. Some, like SA Breweries, have even formulated their own codes.

In the two years since the first widely publicised codes, there has been almost no effective monitoring. But some general trends — and problems — are emerging.

**Black job advancement.** This is where attention is focused, due chiefly to the shortage of skilled labour as white immigration dries up. A survey of 167 companies conducted by Fine Spamer Associates (FSA) showed that more than four in five had job advancement policies.

Promotion from within is the main theme of such policies. "We prefer to promote people from our existing labour force," says car assembler Sigma's personnel director Mof Lemmer. "They have been involved in the process themselves, and promotion prospects are a good incentive."

But statistics from the Department of Labour's Manpower Survey show that black job advancement is extremely slow,

even today. In the clerical category, the proportion of Africans rose from 13,2% in 1975 to 16% in April 1977. In artisan and apprentice jobs, only 2,1% of men and 2,0% of women were African in April 1977.

As blacks inch up the job ladder, whites usually advance one step ahead. The survey shows that only about 20% of whites remain in a job grade after blacks have made their debut. So the grey area between the black lower end of the scale and the white upper end remains small.

Some blacks are making the jump into managerial jobs, especially in banking. But black managers usually operate in black areas, and the percentage of blacks supervising whites remains negligible. In April 1977, only 0,5% of all managerial, executive, and administrative employees were black.

**Training:** A major stumbling block to black job advancement is the dearth of black skills, and the consequent need for intensive training programmes. In higher technology concerns, the problem is even more acute. Says Gwen Groves, personnel officer at Hewlett-Packard: "Our big-

gest obstacle in employing blacks is the shortage of suitably qualified people."

About 66% of the companies surveyed by FSA have some kind of in-company training. Most black training courses are bunched in the semi-skilled area, where the shortage of whites is most evident. Coming a close second are the skilled and supervisory categories, while only a tiny percentage of trainee managers are African.

Training, however, involves considerable expense. Details, says SA Breweries' Dick Sutton, are impossible to calculate. Besides the costs of the courses themselves, additional training staff is required and a temporary loss of productivity is involved. With the recession, training programmes have slowed considerably, and government-sponsored training centres are never fully utilised, despite extensive tax concessions.

"We also need to educate white supervisors, who are accustomed to choosing whites for the job," adds Sutton. Some managers insist they could get closer co-operation from supervisors if black trainees could be paid less than white trainees for the same or comparable jobs. For



then there would be more incentive.

Training, moreover, tends to be piecemeal and unproductive unless it is part of a comprehensive programme. "Only if you have assessed a worker's prospects in the company and assured him adequate remuneration can the best use be made of training processes," says Tol Sinclair of FSA Salary Surveys.

**Pay:** But adequate remuneration means the rate for the job, which means closing the wage gap. This is a far more complicated process than it sounds.

In fact, there are two separate wage gaps. The first arises when blacks and whites doing comparable work are not paid the same wages. The second comes about when wages for unskilled work are calculated on an entirely different job evaluation scale from that used for skilled work.

Both gaps are evident in most SA companies. Two distinct wage policies have evolved for white and black workers, with blacks dominating the unskilled categories, and whites monopolising everything from supervisor upwards. Where there is an overlap, the black curve is way below its white counterpart. And the ratio of skilled to unskilled pay is about 8:1, compared with only 1.4:1 in the US.

"While closing the gap between blacks and whites doing comparable jobs is important, it pales into insignificance against the task of lifting the general level of black unskilled wages into a more equitable relationship with whites generally," said Anglo's Dennis Etheredge when discussing the wage gap at a conference in 1973.

#### Plotting integration

Before plotting an integrated curve, the value of each job must be established, using some method of job evaluation. Then each job is related to the market rate. It is considered that white rates in the upper categories give the best basis for a target curve, since black rates are unrealistically depressed, and white rates in the lower categories unnaturally inflated. The upper white curve is then projected downwards to give the target integrated curve.

Many companies are interested in the single wage-curve concept, says Sinclair, whose company specialises in giving

**Farmers Winery** successfully implemented the curve between 1973 and 1974, at a total cost of R3.2m. SFW's personnel director, Piet Rossouw, told a recent NDMF seminar that no setback in profits was experienced. Hewlett-Packard has an integrated pay curve.

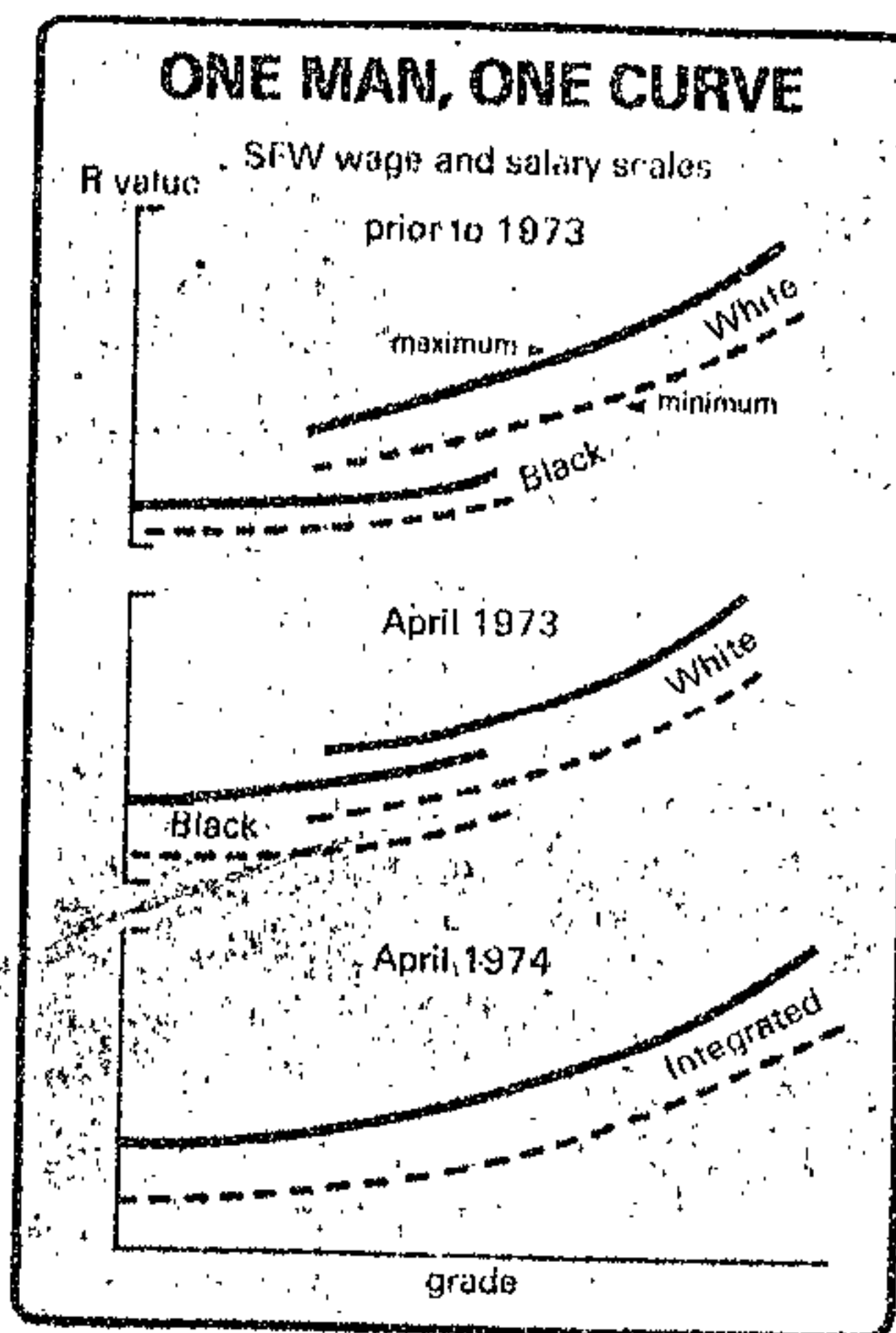
Few companies, however, have progressed beyond the job evaluation stage. Sigma, for instance, introduced a

gradual. Lemmer tells the *FM* that Sigma is concentrating on the overlap, rather than on minimum wages.

"The shortage of skills makes this area more important to us," he argues. "People at this point get more frustrated than their unskilled counterparts."

The problem at the overlap is that the scarcity of whites in skilled and semi-skilled jobs has pushed up the white rate artificially. Companies are anxious that blacks should not inherit the scarcity premium. But, equally, they are painfully aware that white pay cannot easily be reduced.

There are several ways out, according to Breweries' Sutton. One is to retrain whites for jobs which justify their pay.



Another is to slow down the increment rate, treating such workers as the maximum paid people in that grade. Whichever way it is, "we must live with the anomaly until this generation disappears," he tells the *FM*.

Even more tricky is the question of raising minimum wages. Says Sigma's Lemmer: "Raising minimum wages too quickly must inevitably lead to a slashing of the labour force. The oversupply of unskilled labour is a fact of life. Although we make sure that minimum wages are living wages, a kink at the bottom of the curve is inevitable."

Between the Scylla of unemployment and the Charybdis of poverty wages lies a third obstacle. "We don't necessarily want to push up our labour costs so high that mechanisation is preferable," says Lemmer. However, if mechanisation is profitable, companies will mechanise, regardless of the social costs, say others.

And so, the codes notwithstanding, the movement towards "acceptable" mini-

earnings (including overtime pay) in the construction industry are only R119,77 a month, and, in the mining industry R106,55 a month, according to Department of Statistics figures for March 1978. These are well below the household subsistence levels for all but rural areas. Nor is the wage gap narrowing significantly. Department of Statistics surveys show that, while the gap narrowed in the mining sector between April 1977 and April 1978, it widened both in manufacturing and construction (*FM* October 27).

**White unions.** An oft-cited obstacle to black advancement is white trade union opposition. The integrated pay curve is one way of overcoming this bogey.

"The white trade union movement sees the principle of the rate for the job as their only protection against the threat of cheaper labour," argued Etheredge in 1973. "The creation of a unified wage scale involves concessions by white workers. In return, they must receive undertakings from management that white wages will not be reduced, that whites will not be sacked, and that retraining facilities will be available."

#### Job reservation

That such a policy can work has been demonstrated by the recent Seifsa agreement, which scrapped job reservation in return for concessions.

In the railways, after a near confrontation in 1971, concessions to white workers have allowed black job advancement to proceed apace.

**Mixing at work.** Coming down to the nitty gritty of code implementation — what about mixed facilities? In the Fine Spamer survey, 26% of respondents had integrated their offices for whites and Africans, 20% mixed in canteens, and 16% shared toilets. White reaction on the whole seems worse in the expectation than in the reality. While 68% of companies with separate facilities expected a negative white reaction, only a small percentage of whites have objected.

**Black unions.** Conspicuous by their absence are any black voices in all these proceedings. Indeed, none of the codes was formulated with any help from black workers. "Management will only move at the pace that suits it unless black workers have an effective bargaining position," says Skakes Sikhakhane, general secretary of the Sweet, Food and Allied Workers' Union.

Only the EEC code makes specific mention of union recognition, and only a handful of companies afford any kind of recognition of African unions. (Notable among these are Ford and Smith & Nephew.)

Management usually avers that it is waiting for the Wichahn report. But legal obstacles stand in the way of recognition of unregistered unions.



CAPE TOWN. — About 300 people attended a staff protest meeting at the University of Stellenbosch yesterday because they believe the Government is discriminating against them financially in favour of non-university education institutions.

Criticising their 4% salary increases this year, they said university education was being threatened because the Department of National Education was paying school principals, inspectors and staff at teacher training colleges more than university staff.

If university staff were not paid more they would be forced to leave and the quality of university education would be undermined.

# Academics slam 4% pay rise as 'discrimination'

Mr L Read, registrar at the University of Cape Town, described the rise as a "sop". Non-academic university staff members were being excluded from the increase, he said.

Mr A M de Jager, chairman of the University of Stellenbosch's lecturers' union, said he did not believe they had gathered merely to have an "emotional outburst" at the increase.

"I believe a deep-rooted fear for the future of our universities led to our gath-

ering here." If the State neglected its lecturers, this would lead to weaker successors. "It can bring about a chain reaction," he said.

The meeting passed motions expressing concern at the inadequate salaries paid to academic and technical staff at universities, at the diminishing State subsidies for universities and at delays on the part of the State in granting increases.

In a Press statement, the management of the Staff Union at the University of the Western Cape, warned

the salary imbalance would lead to a drain of staff from universities to colleges and schools.

"The damage as a result of this cannot be measured in rands and cents."

The statement said after this year's 4% increase, department heads at schools would earn R1 594 more than a university lecturer; senior subject inspectors and department heads at teacher training colleges would receive R2 712 more than a senior lecturer and a chief inspector would receive R1 454 more than a professor.

Mr Read said staff at UCT were "very unhappy" with the salary situation. Representatives from universities were to meet in Pretoria today to discuss the matter.

There were a large number of issues to be clarified. The representatives would meet as a sub-committee of the committee of university principals, he said. — Sapa



# Call for Govt pay rise

11/1/78  
BSS

PRETORIA — Pressure on the Government to increase wages and salaries in the public sector from the beginning of January is mounting.

The view among leading members of staff associations and unions is that the Government is well placed financially to allocate the R250 million which would be needed to give an across-the-board increase to post office, railway, provincial and State department workers.

They point out, and they are supported by economists, that the Government has underestimated revenue significantly, that taxation from gold mines will be nearly double the estimate in the 1978/79 budget, and, most important of all, the economy is "crying out" for a boost from a bigger volume of consumer spending.

Tonight the executive of the Posts and Telegraphs Association meets and it is expected that members will stress the critical need for financial relief for post office staff.

Although R7 million was allocated earlier this year to be distributed in bonuses to post office workers — the payments ranged from R50 to R300 — it is pointed out that this was a "drop in the bucket", and could in no way be taken as a substitute for substantial increases.

The railway unions have warned, too, that the bonuses they have been promised in January — on virtually the same scale as those paid to the post office — would make no difference to the growing pressure from staff for rises.

Economists have pointed out that Government income during August exceeded expenditure by R132 million. — DDC.

# R20 contract for desperate aides

*26/11/78 Sunday Express 355*

SUNDAY EXPRESS INVESTIGATION BY RUSSELL KAY AND SANDI HUDSON

BLACK nurse aides in training for nursing certificates were so desperate for employment they signed a contract saying they were prepared to work a six-day week for R20 a month, although their counterparts in Government nursing earn a minimum of R70.

This emerged in a Sunday Express survey into private nursing homes.

The Sunday Express spoke to nurse aides training at the Keeves Residential Home in Amanzimtoti, some of whom are supporting three or four children on their R20 and are expected to buy their own books.

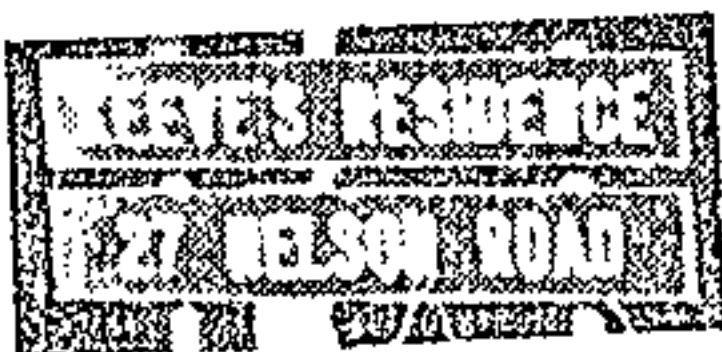
"We are given one uniform a year and then we have to buy the rest at R9.99 each," said an aide.

Their course includes two lectures each week from a qualified nurse. Most of their time is spent with the home's elderly sick — many of whom are bedridden.

The aides said they thought their course would take a minimum of two years.

## THEY'RE LOOKING AFTER OLD FOLK IN NURSING HOME

They have already completed six months. The Sunday Express established from the South African Nursing Association that the minimum requirement



for a certificate for an aide is six months.

"And if they haven't got the hang of it in a year they'll never get the hang of it," said a spokesman for the association.

It was also established that the minimum starting salary in any Government institute was R846 a year.

The owner of Keeves, Mrs R Keeves, said she was well within her rights to pay the aides what they were getting.

"I made it quite clear when I employed these women that we could not afford to pay them a salary — what we would be paying was merely an allowance. And since they're only trainee nurse aides that is all that they can expect," said Mrs Keeves.

"I would point out that I don't receive one cent for all the time I spend preparing lectures and teaching."

The nurses are expected to do domestic work. "We were not employed for work like cooking and laundry, we are nursing aides not housemaids," one said.

One of the aides, an unmarried woman, has been working as a nursing aide for six years, but only nine months for Mrs Keeves. The woman supports three children on R20 a month.

"I can't carry on like this any longer — I have to ask my brothers to help me all the time. I can't live on this small salary," she said.

One of the married nurses supports six school-going children and thinks that she is lucky to be earning R45 a month after four years of service. She is the highest paid nurse in the home.

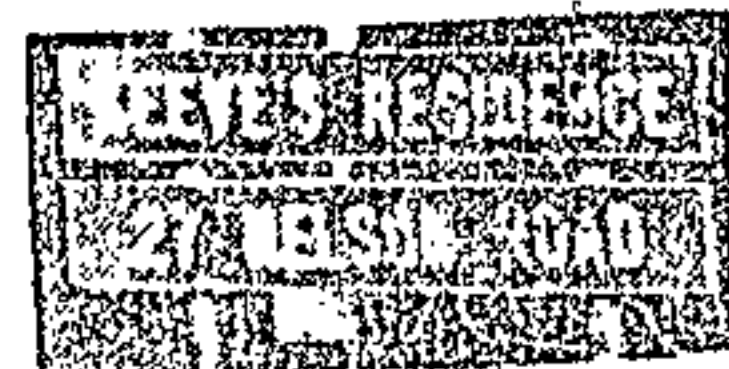
Later, the Sunday Express spoke to the matrons of several other nursing homes in Durban. Sister Dorothy Duthie, of the Mitchell Park Nursing Home said she had never heard of anyone paying nursing aides as little as R20 a month.

"It is way below the accepted rate. Usually the starting salary for an unqualified nurse aide is between R40 and R50 a month," she said.

Sister Margaret Massabo of the Morningside Nursing Home was shocked at a salary of R20. "The girls must be lucky to work for as little as that," she said.

Mr D Chelin, chairman of the Woodlands Nursing Home, said that although his nurse aides started on R35 a month, their pay rose regularly. "Most of our nursing aides are earning R70 — and this includes food."

Mr H M Theron, Deputy Registrar of the South Afri-



can Nursing Council, refused to discuss the matter. "It is not my council's concern. It is a domestic matter between the employers and the nurse aides," he said.

A spokesman for the South African Nursing Association said they were aware of the situation in the private nursing field and were doing everything in their power to investigate it.

"When these women apply for positions in the homes they must make sure conditions are to their satisfaction — so they cannot be abused by their employers."

When the Sunday Express put this to the nurses they said that their employer was not interested in conditions. "But we want our certificates so badly that we don't leave," said the nurses.



6/12/78  
R15-m in

# holiday pay for workers

The Plan proposes employment creation programme for physical and (health, education) immediate improvement of facilities and villages suggest

into the country villages and a within this or that the presence reduced if service

The Plan emphasises the subject of service is required.

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## Labour Reporter

More than R15-million in holiday pay will be paid out to more than 90 000 building, furniture and garment workers in the Transvaal from tomorrow in preparation for the Christmas shutdown.

About 16 000 workers will share the R4,2-million worth of holiday bonuses being paid out by the Transvaal Industrial Council for the Furniture Manufacturing Industry.

That is about R800 000 more than last year.

Some artisans will collect cheques of more than R2 000 each — depending on their earnings and attendance during the year.

Normally only about 13 000 workers are involved in the payout, according to Mr P C Smit, secretary of the council. He said the revival of the furniture industry and the unemployment in the building industry had increased the labour turnover.

The official closure of the furniture industry is from December 22 to January 16, but many factories have advanced this time; probably not by one week.

Only 59 000 building workers in the Transvaal — 24 500 fewer than two years ago — are involved in this year's holiday payout.

And the total being paid to them in "stamp" money built up over the year is R9,5-million — R4,5-million less than two years ago.

## LACK OF WORK

The industry closes from December 15 to January 8.

The Reef's 19 000 garment workers will take home about R2-million, or an average of about R110 each, for their Christmas holidays.

Most clothing factories are closing from December 15 to January 8 but the timing varies and some factories will shut for a whole month because of lack of work.

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Integrated Farming

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to devise national policy is worrisome.

It is pertinent to comment on the Report on Rural Development prepared in 1973 by Robert Chambers and D. Feldman. This report has led to the White Paper proposals entitled the Tribal Grazing Land Programme. I presume that one has to read the Report and the White Paper in the light of recent knowledge on rural income distribution provided by the survey of 1975/76. In 1973 Chambers and Feldman did not have to face the very unequal distribution of rural income that was subsequently revealed by the survey. For instance, it is unlikely that they would have guessed that the top five

1. Para. 4.53 page 67.

investigation will enable us to do so.<sup>49</sup> (below and the section on gold-mining in Ch

It remains to make some comment on the per minerals. We have given a breakdown of the overprojection to 1976 by mineral\*, which tables will summarise the facts we wish to

Iron ore, chrome and manganese are above the growth (chrome dramatically so - since output than projected and output per worker has not but these three are of course not large employment large, is within its projected range - though than the upper end. It will be important accelerating output growth rate in 1977 is a rate of growth of employment: evidence for suggests that it is (January - May 1977 employment on that for the same 5 months of 1976).<sup>50</sup>

The other three base-minerals (all larger employment chrome and manganese but smaller than coal) and 'others' (i.e. quarries and salt) are all projected rates of growth of employment; and employing respectively 13 200 - 13 600, 8 500

less workers than had been projected by Plewman (using rounded figures). As we have seen in earlier discussions production of copper and asbestos has grown less fast than projected (markedly so in the case of copper), and in addition they have both experienced some unprojected increase in labour productivity which has reinforced the tendency for their labour complements to lag behind projections. Information about 'quarries and salt' output and productivity is not readily available.

For the rest, all the precious metals performed disappointingly as employers in the period under review and they dominate the overprojections. The labour force in gold-mining declined an average of about 1 per cent per annum instead of remaining constant (though the problem of supply constraints needs to be sorted out here). Because of the relative size of gold-mining as an employer this small divergence between actual and projected paths creates an overprojection of about

10/12/78  
355  
**Decent wages outlined**

EAST LONDON — A fair wage should be sufficient to cover, at the very least, the basic necessities to sustain human life according to the Justice and Reconciliation Commission of East London.

In a release the commission points out that wages currently paid to domestic or manual workers are excessively low.

According to the University of Port Elizabeth Institute for Planning Research the household subsistence level (HSL) for a black family of six in the East London area is R150.92.

The commission points out that the minimum need of a full time male worker living in with full board and lodging is R85 a month. The minimum need for a woman living out with meals and travel added on is R75 a month, while the minimum need for a full time employed woman living in with full board and lodging is R57.

The minimum need of a part time male worker with a meal and travel allowance added on is 80c an hour. For a woman working part time with travel allowance added on the amount is 60c an hour.

The commission release  
If we find we can



# More pay for EL textile workers

EAST LONDON — The 4 500 Frame Group workers here will receive a ten per cent wage increase from January.

Chairman Philip Frame said in Durban yesterday all the workers in his group would receive a 10 per cent increase. In 1980 in 1981, further 10 per cent rises would be given.

Speaking at the annual meetings of his companies, he said this represented a 33 per cent increase in less than three years as the awards were

made at the beginning of each year and were compounded.

These increases followed a 7.5 per cent rise for the lower-paid workers this year and 10 per cent for the higher paid employees.

Mr Frame said that during the past year business conditions had remained depressed. The blanket industry was particularly adversely affected. Group turnover decreased by 20 per cent while stocks of finished goods increased.

Operating income had again declined during the year but not to the same extent as in 1977.

Mr S. Lurie, a director, said the pay moves, which had been approved by the industrial council for the industry, had done much to stabilise the labour force.

The Frame Group employs 30 500 people of all races.

It has not had to retrench workers during the recent recessionary period. — DDC.

Indexes of Physical Volume of Mining Production (1970 = 100)

TABLE 31:

physical production.

Some sense of the role of gold as a depressant and of its importance, also of cyclical movements in non-gold minerals production and of the recent surge in their production can be gained from the following indexes of

It is not possible to put much weight on these guesses. They are obtained by assuming that the average rate of production during the first half of the year will be repeated during the second; and this may not be generally true if faltering growth abroad brings the 1976-7 surge in minerals exports to a halt in late 1977. Still, the record of January to June 1977 suggests that iron ore exports are growing very rapidly (presumably with the opening of Saldanha Bay) and that the 1970-77 growth rate may be up to about 15 per cent per annum; coal exports and production are also growing strongly (presumably affected by the Richard's Bay developments) and the growth-rate looks as though it may now be up to about 6.5 per cent per annum (and hence within the Plewman range); asbestos may be up to the region of 5.9 per cent per annum (and so still below the projected range); and in the first quarter of 1977 chrome production was 30 per cent above 1976-first quarter levels (though this has probably not been sustained for the rest of the year). Manganese, in contrast to these minerals, will experience a further drop in its average rate of growth down towards the projected range, (it was up to 14 per cent per annum in the peak-year of 1975).



# Black jobs drop, but pay rises

Pretoria Bureau

The black staff employed by the Government has decreased by 13 083 during the period September 1977 to September 1978.

But the salaries of black civil servants increased by about 10 percent over the same period — from R60,5-million to R66,8-million.

According to a release from the Department of Statistics in Pretoria, white Government employees increased by about 3 000 with pay rises of about 3 percent.

The total number of people employed by the Government decreased by about 6 600, largely attributable to the cut in black civil servants. All other racial groups showed an increase over the year.

The total white wage bill increased by R11-million to R919-million.

## INCREASES

At both provincial and municipal levels of government, the number of whites and blacks employed either increased or remained static.

The number of whites employed at provincial level increased by about 4 000 with a resultant pay

rise of about 10 percent. The number of blacks employed by the provinces rose by about 2 000 with a salary bill increase of about R3-million.

The number of whites employed at municipal level countrywide remained static at about 57 000, but wages increased by about 7 percent.

The number of blacks employed at municipal level increased by about 1 700 with a R4,3-million increase in salary.

## MEN'S MOVEMENT REPLY

are appalled by the naivety of the S.S.D. editors' entitled "A Critique of Bourgeois Feminism" in like to point out some of the combined muddled thinking that appear in their article.

Movement should be confined itself to stating the political movement, "It must, therefore, identify structures of society". To assume that factors such as squatter-camps and the role of women in these have ally, by the U.C.T. Women's Movement indicates that direct knowledge of discussions and projects s Movement members. A notable difference being perhaps more aware of the discrepancy between continually produce and reproduce the structural and developing what the writer idealistically practice from within the context of such an as a white university. To theorize around the liberation of all men and women" is mere

concern itself with specific oppression. Separatism includes the awareness of other oppressed groups.

such diverse statements as the "fundamental contradiction that exists between men and women" (which contradiction is never examined in detail) and saying contradictions that exist between social classes then assumes secondary (if at all)" the writer fails to realise that he/she moves from stating the first tenet to attack one particular feminist stance — radical feminism (confused with Marxist, Socialist, Liberal or Lesbian Feminism) which is one of the numerous positions held by U.C.T. women within the 'umbrella' of the movement. This article is a misinformed attempt to stereotype the Women's Movement into an homogenous radical-feminist group and attack accordingly.

of flawed illogical reasoning several false conclusions are deduced, one of which concerns "consciousness-raising". No feminist Women's Movement would endorse a description of "consciousness-raising" as involvement with personal issues. It is clear that, despite the language of fundamentals, the writer has failed to appreciate the basic nature of women's problems — rape, the pill, abortion etc., are not personal and

private problems and that the small group facilitates the crucial transition in awareness from the personal to the political. Without individual political consciousness there can be no mass political consciousness. A practical example of this is the "speaking bitterness" sessions held by small groups of Chinese peasant women, which played a vital role in their mobilisation.

The cultural conditions of people's lives are as important as the economic basis of their oppression in determining consciousness. In speaking of "the very real contradictions that exist between bourgeois women who experience their oppression as discrimination and working class women who experience their oppression as essentially exploitation" a dichotomy is being set up between the 'bourgeois' psycho-sexual forms of oppression on the one hand and the 'real' material forms on the other substituting a mechanistic model of class relations for a more profound understanding of how these two aspects of oppression depend upon and reinforce each other.

The mock-warning that "inadequate strategies" could ensure that "Women's liberation is not achieved simultaneously with the liberation of men..." shows no cognisance of the historical fact that in no third world revolution this century have women, by fighting alongside men, come anywhere near achieving equality, simultaneously or after the revolution.

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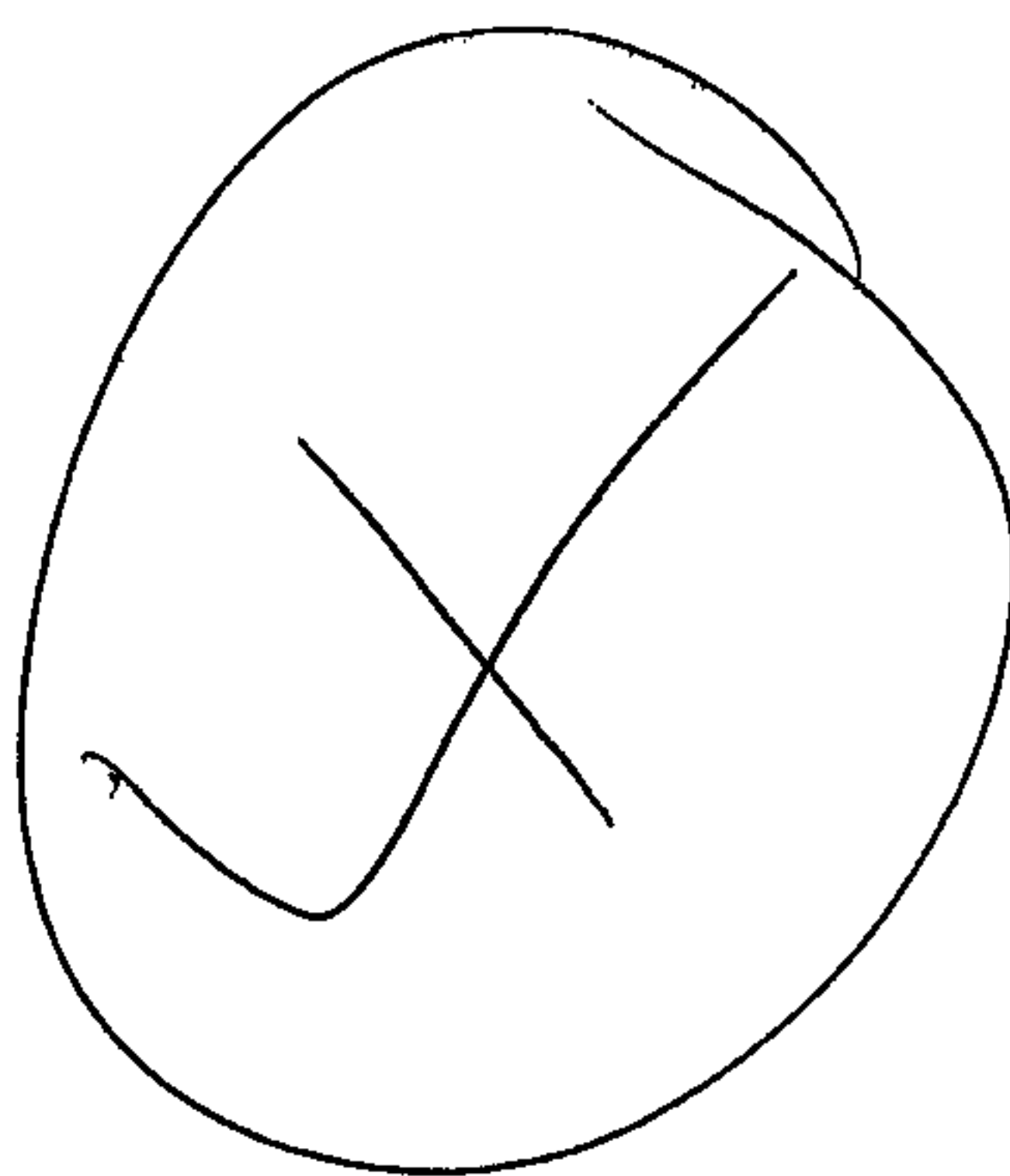


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355

8/1/79

2 2/12/79



# Two big banks agree to equal pay for women

By Sieg Hannig  
Labour Reporter

Sex discrimination in the pay of bank tellers and check clerks is on its way out after the latest pay negotiations between the three banking trade unions and two leading South African banks.

From the end of this month, Barclays and Standard Bank tellers and check clerks will be paid according to a common salary scale for men and women.

Mr Andre Malherbe, general secretary of the (white) Society of Bank

Officials, the (coloured and Indian) National Union of Bank Employees and the (black) Bank Employees' Union, said racial equality had existed in these banks for many years.

"But there was still sex discrimination in the salaries of intermediate and junior grades," Mr Malherbe said.

"Now the intermediate grade salaries are on a common scale for both sexes."

## INCREASES

This meant that women in grades B and A would get a slightly higher annual increase than their male colleagues this month.

They would still be one notch behind in actual pay, but this difference would disappear in time.

People newly promoted to these grades would begin on equal pay, Mr Malherbe said.



# New minimum wage scales

DA  
30/1/79  
355

EAST LONDON — New minimum wages for workers in the metal containers and allied products industry have been announced in the latest Government Gazette.

But the wages for most categories of workers in the East London municipal area will be lower than in other major centres in South Africa.

In terms of the Black Labour Relations Regulation Act of 1953 the new minimum rates announced apply to the following areas in the Cape: the magisterial districts of Belville, Goodwood, The Cape, Paarl, Port Elizabeth, Simonstown and Wynberg and the municipal area of East London.

The minimum wages for assistant setter-ups and body makers' attendants will be the same in all

centres.

The minimum wages laid down for such categories of workers as boiler attendants, canteen cooks, factory clerks, laquering machine operators, line leaders, mobile hoist operators, power crane drivers and supervisors are lower in the East London municipal area than the other centres.

For example the minimum for a supervisor in East London will be 86c an hour whereas in other centres it will be 94c an hour. The minimum for watchmen in East London will be R37,41 and R40,95 in other centres.

A spokesman for the Department of Labour said yesterday he did not know of any reason why lower minimum wages would apply generally in East London. — DDR.

# Black miners' pay has risen 600 percent in six years

stor 2/2/79

245

127

355

## Labour Reporter

Black underground workers in the South African mining industry are earning six times the wages they earned six years ago, the Chamber of Mines reports in a review of working conditions.

The review describes the country's black mine-workers as "the best cared-for workers in Africa."

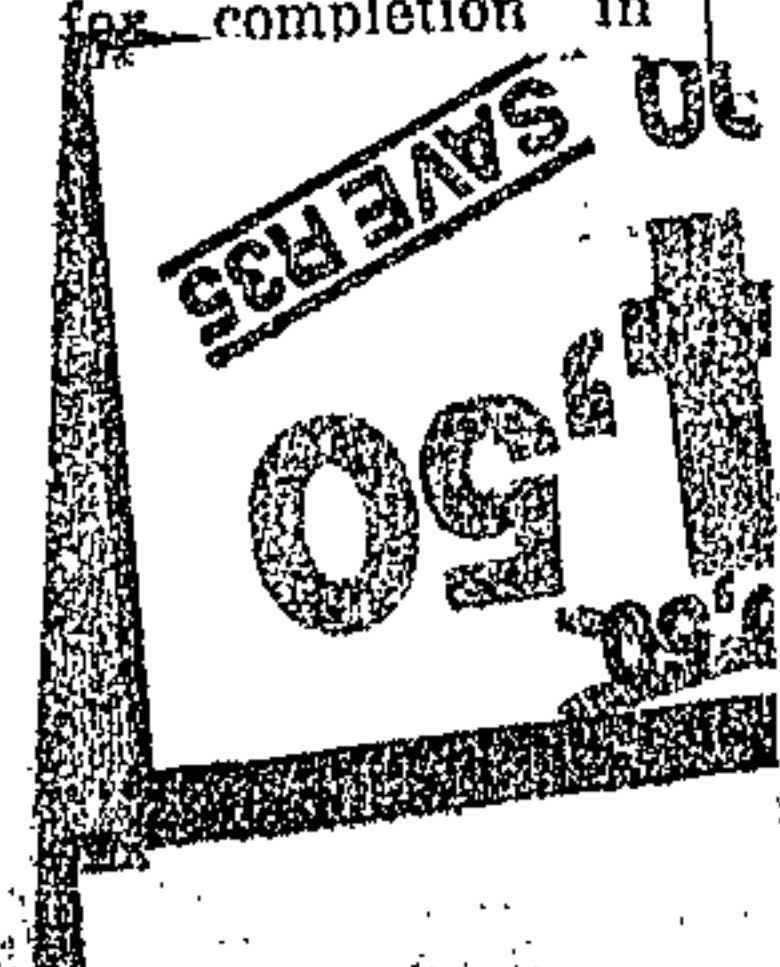
This is demonstrably true as a general statement, it says with reference to the size of the industry, wages, food, accommodation, medical, social, welfare and recreational provisions.

The Chamber points out that:

● Since the 1972/3 gold price spiral, gold mines have spent or committed nearly R350-million on accommodation — almost half on improvements and the rest on new hostels and houses.

● More than 3000 houses for married blacks are under construction or for completion in

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# Schlebusch

## warns on civil service pay rises

8 Nov 22/2/79

355

Political Staff  
CAPE TOWN — The Minister of the Interior, Mr Schlebusch, warned today that public servants should not all expect equal salary increases on April 1.

He pointed out in a statement today that the Public Service Commission was still working out a revised salary structure which would provide for a greater degree of salary differentiation between occupations in the public service.

It therefore followed that not all public servants would receive the salary improvements from April 1.

On account of financial and other limitations occupational differentiation could also not be fully implemented at this stage.

### REGRETTABLE

Mr Schlebusch said he therefore found speculation at this stage about the extent of salary improvement for public servants regrettable because it served no purpose and gave rise to expectations which in some cases might not materialise.

But he could give the assurance that the Public Service Commission would, within the limits of available funds, carefully consider the particular needs of the staff concerned.

It was a time-consuming task, but details would be made available to departments as soon as possible.

The formulation of the revised salary structures followed a preliminary investigation which had already been completed.

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toe dat besoekers kameras saamneem nie.

can be made out, they are differentiated already and belong to different traditions (cf. Hagstr, 1977).

Although many researchers now a definite change in SA pottery sequences and in other material remains from MA to later MA (cf. Meggers 1973) it appears by no means to be as abrupt as in Mesoamerica. Quite

# New postal rates may trigger wage demands

By **GERALD REILLY**  
Pretoria Bureau

**ORGANISED** labour yesterday warned of a spate of wage and salary demands this year following yesterday's announcement by the Minister of Posts and Telecommunications, Mr F W de Klerk, that postal charges are to be raised by 13% from October 1 this year.

-Among the projected increases are a rise in the letter rate from four to five cents, and in the telegram rate from three to five cents a word.

The General Secretary of the Trade Union Council of South Africa (Tucsa), Mr Arthur Grobbelaar, said: "Like the Railway tariffs, this is merely postponing the evil day."

Mr Grobbelaar said the higher postal tariffs would bite deeply into the buying power of wages and salaries.

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in SA is not yet  
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tion (1969:111). It  
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basic food prices during the first half of the year. This will hit those at the lower end of the wage ladder hard, and increase the pressures and tensions caused by the persistently high rate of unemployment."

Mr Grobbelaar said Tucsá had asked the Minister of Finance, Senator Owen Horwood, to exempt all basic foods from GST in his Budget on March 28. This would ensure some relief for middle and lower income groups.

The president of the SA Confederation of Labour, Mr Attie Nieuwoudt, said employers would have to fully compensate workers this year for an inflation rate which could go beyond 12%.

**"Poverty is a creeping menace in this country, and the Government has a duty to protect the living standards of workers."**

● **Opposition reaction**  
**Page 7**

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terms: people "avin. gained experience o. the reserved environment could subsist in these areas from then on, perhaps with the additional help of "new management techniques and new...combinations of crops and livestock (197:10). This enabled them to push into areas "which do not seem to have been exploited much by Ia peoples previously" (ibid).

In one of his studies (1976), Leassick showed already how different types of settlement structures can be associated with different Sotho/Tswana groups, and thus the picture of differentiation, expansion and social intercourse among the Sotho/Tswana and the Kguni ("Transvaal Kguni", Leassick, 1965:117) becomes increasingly complex. (fig. 3) However, we should note that this is the picture only from 1400 onwards. I would like to add that within all this complexity I could not find any recent references to "processes of differentiation between the Sotho and Kguni peoples except for the fact that the respective BIA settlements in their areas are different already. One could conclude therefore that they were differentiated when they crossed the Limpopo, but this is very tentative indeed.

As to the settlement<sup>ment</sup> of the hunt our picture is even more tenuous and the gaps are wider. For the sake of ~~xxx~~ convenience I would like to work my way backwards in history and start in the 16th century.

M. Wilson stated in 1959 that from the evidence of Portuguese shipwreck survivors and oral tradition it could be said that the coast was sparsely populated in ~~1552~~ and 1552 but very thickly populated inland (1959:172). She suggested ecological reasons for that: the coastal belt has very sourveld at times and is unsuited to grazing. Nothing to contradict this kind of reasoning has been advanced so far, quite on the contrary (cf. Angus, 1977, 1978). Also, there is a lot of evidence in the oral traditions she looks at to show that there was already a high degree of ethnic differentiation in the 16th century (ibid:175). Everything pointed to the direction that the different clans and lineages known today and existing when had been occupying the Transkei and Ciskei for a long, long time (ibid:177). For this and other reasons we must look very critically at the assumption commonly made that that Hottentots were stopped on their way southwards only by the "white advance".

Also, the kind of assumption made by Bryant of basically three streams of Nguni migrating into SA via the headwaters of the <sup>Lim</sup>répopo do not



RDM 22/3/79

# New wave of wage demands

2356

Pretoria Bureau

THE Minister of Transport, Mr Louwrens Muller, can brace himself for a new wave of wage demands from his 116 000 white workers later in the year.

The seven railway unions are expected to ask for another 10 % from the end of September this year.

They will tell the Minister that the 10 % increase they and all other public sector workers will get from April 1 will be wiped out by inflation by the middle of the year.

The Artisan Staff Association has already warned the Minister of a further demand.

The president of the ASA, Mr Jimmy Zurich, says the timing of the demand will be determined by the impact of higher power, fuel, coal, and other charges on consumer prices.

The secretary of the Federal Consultative Council of Railway Staff Associations, Mr Johan Benade, confirmed in his annual report that new wage demands were on the way.

The report, released at the FCC's annual conference in Johannesburg this week, claims

that the April 1 increase is only interim relief.

Meanwhile, other labour leaders have warned that claims for wage adjustments because of spiralling living costs will be made by a large number of unions throughout the private sector later in the year.

Stressing this yesterday the general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, and the president of the SA Confederation of Labour, Mr Attie Nieuwoudt, both appealed to the Minister of Finance, Senator Owen Horwood, to exempt all basic foodstuffs and commodities from the General Sales Tax in his budget of March 28.

Mr Grobbelaar said the expected increases in basic food prices would hit the lower income groups hardest.

"As an insurance against labour instability it would be a wise move to remove the GST, especially if the economy fails to respond to Government's intended stimulatory measures, and unemployment continues to rise," he said.

# NURSES' PAY RISE MAY BE ONLY R10

Argus 5/5/79

355

CAPE nurses are to get salary increases this month but nursing authorities still do not know the extent of the increases and some nurses fear their pay will go up by as little as R10.

'We have been told nothing' Miss M Hattingh, chief nursing officer in the Department of Hospital Services said this week.

There was nothing unusual about them not being told.

Nurses say the present salaries are too low for a person to live on.

'I've heard that we won't be getting more than an extra R10 or R15 a month,' a nurse said this week about the proposed increases.

## DENIED

This was denied by the Director of Hospital Services, Dr R L M Kotze.

'It's a bit more complicated than that,' he said.

'The increases will depend on qualifications and training.'

The deputy secretary of the Civil Service Commission, Mr P C van Rooyen, said he could not supply information about increases.

'They will differ from level to level, and there won't be a fixed increase of a certain percentage,' he said.

## DISSATISFIED

'I haven't seen the new salary scales, but the nursing profession has been very dissatisfied with the old scales,' Miss P Harrison, head of Groote Schuur's Department of Nursing said this week.

'It was not economically possible for a young woman to come out on her old wage.'

The raise has followed the resignation of 85 nurses from Pretoria's H F Verwoerd Hospital because of low salaries.

A qualified sister with 22 years experience said her take-home pay was R345.



## Nurses' pay

NURSES are anxiously awaiting details of the increases in pay announced two months ago. As reflected in Weekend Argus, there are fears that the rises will be inadequate — past history amply supports this view. It is indeed incomprehensible that key personnel like nurses and police should be so appallingly badly rewarded.

Argus 7/5/19. (81) (35)

it is a daily job on which women depend for a decent living. Many nurses are denied this elementary right. And what applies to white nurses is even more cogent for black nurses.

The wage gap should be eliminated and all nurses should be paid a fair, and preferably generous living wage. They deserve no less.

Our son

Nursing is not just a vocation;

who had

been shot through the chest five days ago. Strange to say he was a brother of Commandant Groebbler so in the evening uncle and nephew were side by side in one of our tents. About 300 yards from camp we found the Hollander ambulance that we had captured once before near Trichardsfontein. The doctor was away but the orderly in charge was an English-speaking Hollander. I got Allenby to commandeer this ambulance, one driver and 12 oxen to carry the two wounded Boers. The Hollander was quite affable about the matter and thought we were quite right.

I dined with Allenby that evening and I think I got a chill. Next day we marched to a farm Mooifontein about two miles from Bethal. We put the Boers in one of our own ambulances on the march as it was much more comfortable than the Hollander one. We filled the latter with our own slight cases. Next morning I tried to get our sick to Bethal but they refused to take them. By this time we had 25 sick and only two ambulances and two tongas. Our other two ambulances were away at the line at Middelburg with sick Officers. I got Allenby to insist on the Bethal people taking six of our worst cases including young Groebbler. This boy had done very well for the time he was with us and stood the march in our ambulance well.

# Rises for nurses soon

C. Times

15/5/79

355

By JANE ARBOUS

**THE Provincial Department of Hospital Services was working "day and night" to implement nurses' salary adjustments by the end of this month, a spokesman said yesterday.**

All nurses would be informed of their salary increases, which would be backdated to April 1. Details of the salary increases were not disclosed.

Representatives of the South African Nursing Association held talks with the Minister of Health, Dr S van der Merwe, in Cape Town last month. A memorandum setting out the nurses' dissatisfaction over salary increases was handed to him.

Following reports that 85 Pretoria nurses had resigned recently because of low pay and long hours, the spokesman said the Cape nursing staff position was "pretty good". The high staff turnover had to be considered. Eighty-seven per cent of the 18 000 nursing posts in the Cape were filled last year, he said.

The new salary structure will mean that the more qualified the nurse is, the higher her salary increase, according to this month's issue of Nursing News.

An article in Nursing News, official bulletin of the South African Nursing Association, said it had been decided that student nurses and nurse assistants would only have their pension allowances consolidated into basic salaries.

This followed repeated requests from various sources, including nurses, that large increases be given to qualified nursing staff rather than to student nurses.

Referring to the salary gap between black and white nurses and quoting an "informed spokesman", the article said the salary structure was based purely on an ac-

cepted policy of salary relationships which would be maintained.

The gap "would in time" be closed from the top.

Nurses could be "satisfied" with the new salary improvements, especially if considered against the background of what the majority of civil servants would receive, and in the light of Budget allowances announced by the Minister of Finance, Senator Owen Horwood.

Nurses throughout the country have protested against the present salaries. Student nurses are paid between R192 and R267 a month in their three years' training, while those in England are paid R347 a month.

**'Underpaid nurses' —  
letter on page 10**



# New pay demands follow increases

3/7/79 (355)

Pretoria Bureau

NEW pay demands from the public sector staff associations are being made as the price spiral continues, with an even higher inflation rate expected during the second half of the year.

There is ample evidence, the associations claim, that the 10% April rise for public sector workers has been wiped out by the higher maize price, higher dairy prices and the enormous increase in the fuel price.

The Salaried Staff Association of the Railways has already made representations to the Minister of Transport for salary adjustments to bring earnings more into line with escalating living costs.

The Artisan Staff Association has also warned that as soon as the new Minister of Transport, Mr Chris Heunis, "has settled in office" a new demand will be made, probably in September.

And at a meeting of the Council of the Footplate Staff Association last week a sub-committee was appointed to formulate possible wage claims to be submitted in the second half of the year.

The Post and Telegraphs Association has written to the department emphasising that little remains of the 10% April increase, indicating that another claim is likely.

# Firms lay off 500

2/19  
18/7/79  
355 for

By THAMI MAZWAI

**MORE THAN 500** workers have been laid off from Port Elizabeth's two motor assembly plants — Ford and General Motors — since last month. Both have confirmed the numbers retrenched.

Ford issued a statement last month announcing the retrenchment of 297 workers. Reasons given were the economic recession in the country and the fuel crisis.

General Motors announced at the same time the retrenchment of 80 workers from its plant. Similar reasons were given.

But **POST** can now disclose that a total of 207 people have been laid off by General Motors.

## Economic situation

This means that the two plants have jointly laid off 504 workers — and this may not be the end unless the economic situation improves. But a spokesman for GM this week said they hoped there would be no need to retrench more people.

He stressed that the 207 represented all race groups. The number also included hourly and salaried staff.

The retrenched salaried staff numbers 47 and the hourly 167.

Asked how many from each of the different groups had been fired, he said such details would require digging out.

The spokesman also added that they had not introduced shorter working hours as a result of the situation. The retrenchment was the only action taken.

Meanwhile, a spokesman for the National Union of Motor Assembly and Rubber Workers of South Africa has issued an appeal to employers not to expel any more workers.

The union is presently engaged in negotiations with major employers and top security is one of their priorities.

A survey released by Manpower, a research group, indicated more job opportunities in the Tvl, OES and Natal in the second half of this year, but a downward trend in



By RIAAN DE VILLIERS  
Labour Correspondent

THE Minister of Agriculture, Mr Hendrik Schoeman, is to reconsider a decision to sack about 400 black labourers on his farm adjoining Lebowa following a press expose about employment conditions on the farm.

Seventy-one workers have already been paid off.

Sunday papers reported yesterday that an angry Mr Schoeman had decided to mechanise his farm and sack 400 workers following a report in the Transvaal Post last Tuesday accusing him of employing child labour and paying some of his workers less than R30 a month.

In another development, Mr Fred van Wyk, director of the SA Institute for Race Relations, yesterday defended Mr Schoeman as a "tremendously progressive employer".

Speaking from his farm, Moosrivier, yesterday, Mr Schoeman said no final decision had been taken.

"There are so many thousands of people without jobs," he said.

Mr Schoeman said he would like to pay labourers more, but profits in agricul-

# Schoeman reconsiders sackings

RDM. 30/7/79 (355)

ture were very small and the farm was yielding only 4,4% on investment.

"If we push up wages, we can employ fewer people." He said he was "bitterly disappointed" about the whole issue.

"It is sad to be attacked when the only thing I wanted to do was create employment opportunities."

He had created jobs for up to 2 200 people on the farm when there were only 1 600 permanent jobs.

Mr Van Wyk said yesterday Mr Schoeman and his father had played pioneering roles in providing good farm housing and liveable

wages.

Mr Horace van Rensburg, PFP MP and member of the party's agriculture group, yesterday urgently appealed to Mr Schoeman not to pay off more workers, but also to make every effort to pay higher wages.

Following Post's allegations on child labour, Mr Schoeman has said the children wanted to earn pocket money during holidays.

Many unemployed people regularly sought work on the farm asking for work.

All workers had free meals and benefitted from a school, a free medical clinic and other facilities.

TABLE I

MORTALITY RATES FOR THE 17 MAJOR DIVISIONS OF THE ICD (8th REVISION)

Note: There are no tables for divisions V, XI, XII, XIII because of the small numbers in each of these categories).

## INFECTIVE AND PARASITIC DISEASES

W	A		C		B	
	M	F	M	F	M	F
1,99	2,2	9,81	55,55	51,04	29,36	27,05
0,16	0,13	0,76	8,27	7,48	3,56	3,42
0,02	0,02	0,07	0,21	0,21	0,20	0,22
0,06	0,03	0,17	1,14	0,78	0,36	0,45
0,25	0,13	0,75	3,30	1,37	2,15	1,27
1,04	0,72	1,61	5,48	2,78	5,45	2,93
0,19	0,15	0,56	3,33	2,69	1,66	1,61
399	315	198	3792	3146	3472	2593

# Firms rethink on black pay increases

By INGRID NORTON

THE latest survey of wages in South Africa over the past year shows a drastic reduction in the size of pay rises for blacks.

The survey, carried out by the PE Salary Survey, covers more than 500 major South African companies.

Mr John Cole, the manager of Salary Survey, said yesterday that most South African and international companies were now basing wage increases on individual performance and merit, rather than on the need to narrow the race wage gap.

Initially, pressure was being applied from outside the country in terms of European Economic Community proposals and a lot of South African-based international companies suddenly increased black wages. To remain competitive in this sector of the labour market, South African companies did the same," he said.

"Now this trend has died out because people are becoming more aware of the need to increase productivity. Nobody can afford to go on making big wage increases unless prices rise with them."

According to the survey, companies granted across the board increases for blacks, coloureds

and Indians of up to 30% last year.

"But the massive increases did not result in increased productivity so industrialists then drastically reduced the size of increases."

Mr Cole said companies were now concentrating on basic skills training for their staff.

In industry and commerce, more was being spent on upgrading workers' skills, Mr Cole said.

While black, coloured and Indian wages have decreased, salaries for whites are showing their highest increase for two years. These average increases are between 10% and 11%. Engineers, chemists, computer personnel and some artisans received the largest pay rises.

"Despite this, the increase in salaries for whites have not kept pace with the consumer price index. White South Africans are fighting a losing battle against soaring living costs and we do not see an end to this in the short or medium terms."

Mrs I Perlman, the regional secretary of the Institute of Race Relations, said yesterday: "It is difficult to comment before the survey has been published, but this is surely a result of companies, which were laying off workers heavily a while ago, re-employing lower down the salary scale."

	W	
	M	F
0-1	0,17	0,13
1-4	0,03	0,07
5-24	0,09	0,05
25-44	0,26	0,33
45-64	3,01	2,58
65+	12,24	7,26
ALL	1,41	1,21
NO.	2920	2522

## ENDOCRINE

	W	
	M	F
0-1	0,09	0,07
1-4	0,03	0,07
5-24	0,01	0,07
25-44	0,02	0,07
45-64	0,09	0,12
65+	0,39	0,59
ALL	0,05	0,08
No.	114	173

355



# New search is on for ways to create work

**Labour Reporter**  
The possibility of a new Government initiative on unemployment was held out yesterday by the Minister of Co-operation and Development, Dr Piet Koornhof.

Urban unemployment, unlike rural unemployment, was an immediate crisis — especially if it was massive, he said.

"I am not in a position to make announcements, but the Government is working on the question," he said.

Creation of more jobs was an important contribution employers could make towards the well-being of the country and its people, he said.

Dr Koornhof was outlining his labour philosophy

in a speech in Johannesburg to the Associated Scientific and Technical Societies.

He called on employers to:

- Take a hard look at the wages of their workers, with a view to improving them as far as possible while stepping up productivity.

- Find out about

workers' housing needs and what could be done to help them on a sound economic basis with the 99-year leasehold home ownership scheme.

- Extend in-service training, possibly with the help of facilities provided by the Government.

Dr Koornhof said it was fairly certain that most of the increasing population would turn to urban environments — particularly groups other than whites.

Rapid growth in urbanisation needed a high rate of economic growth. This, in turn, needed more skilled labour — without the high immigration of the 1960s.

Half the skilled labour — 30 000 to 40 000 workers — would have to be added each year by races other than white. Such artisans would be politically and socially more disciplined, more conservative, and less radical in their outlook.

From these people, a new type of middle class would develop rapidly, Dr Koornhof said.

## 'SA's great challenge'

**Political Correspondent**  
With more than a million jobless, South Africa's greatest challenge is to create jobs for its present and future millions, the Minister of Manpower Utilisation, Mr S P Botha, said in Stellenbosch last night.

Addressing students of the university he said: "We have more than a million jobless who want to work and live in human dignity. New workseekers join the market at 264 000 a year, going to 500 000 a year by the end of the century.

"To place these numbers in service requires labour peace, political stability and growing prosperity.

"If we can find an answer to the question of how and where the masses of South Africa can work, then we can guarantee a future of order and progress.

"South Africa is luckily the only country in Africa that has the resources and the leadership to accept this challenge. We must just have the will and co-operation of all the people to take on the task," he said.

Another reason for the necessity of better relations between all people in the country was to unify against the onslaught of marxism, he said.

Desember 1978

Hendrik W. van der Merwe  
Direkteur

Ten slotte is dit met innige genoeë dat ek my verpligtinge teenoor die ere-navorsingsbeambtes van die Sentrum vir hulle bydraes tot die navorsingsprogram, boekstaaf en teenoor die personeel vir die wyse waarop hulle hulle pligte gedurende die jaar uitgevoer het.

Ek wil weereens die Carnegie Corporation en die Algemeen Diakonaal Bureau van die Gereformeerde Kerken van Nederland bedank vir hulle gulle ondersteuning van die Konstruktiewe Program wat ons in staat gestel het om meer personeel aan te stel en om publikasies en werkgroepe te finansier. Ek wil ook graag weereens die ondersteuning deur plaaslike skenkers, firmas en trusts noem, kort nadat die Program gestig is. Hulle hulp het dit moontlik gemaak om etlike publikasies gratis te versprei onder almal wat in die bevordering van 'n oop samelewing belang stel.

kampus, waar ons gedurende die laaste vyf jaar gehuisves was, ontgroei. Daarom is ek besonder dankbaar vir die ekstra ruimte wat ons nuwe kantoor in die Leslie Social Sciences Building op die Groote Schuur Campus aanbied.



**Morale is very low and**

# Underpaid nurses quit the hospitals

Start 6/9/79

Nursing staff who are dissatisfied with salaries and conditions in Johannesburg hospitals run by the province are giving up the profession and leaving the hospitals seriously understaffed.

The nurses — qualified and unqualified — are being weaned away by private enterprise — especially drug companies — which in most cases offer better salaries and conditions including car and expense allowances.

Miss Doreen Radloff, retiring executive director of the South African Nursing Association is concerned about nurses' pay.

"As the biggest group in the hospital services, nurses are absolutely essential. Yet whenever money becomes available to the medical profession it hardly ever stretches as far as the nurses.

## Injustice

"This is a great injustice and one of the main reasons why we have such a shortage of nurses. They are not appreciated sufficiently and they are taken for granted because of their ethical code which states that their main object is to be of good service to the country," she said.

A Department of Health spokesman said: "We know the nurses are suffering hardships and we have endorsed further representations to the Public Service Commission."

A spokesman for the Public Service Commission

said any salary adjustments would have to wait until the new financial year.

"There are no funds available for any further amendments at this stage. We are trying to do what we can with the funds available," he said.

In May, Mr Sybrand van Niekerk, then Administrator of the Transvaal, said in the Provincial Council that out of 752 paediatric and gynaecology nursing positions at the Johannesburg Hospital, 377 had not been filled.

He later denied that there was a staff shortage at the hospital saying that the commissioning of the hospital had not yet been completed.

## Fear

I spoke to doctors and nurses at Johannesburg hospitals who didn't want to be named for fear of losing their jobs.

They claimed:

● The intensive care units are so full that some seriously ill patients who should be receiving intensive care (that is a ratio of one fully qualified sister per patient) were being moved into general wards.

● Areas of the intensive care unit at the new hospital have not been opened because there are not enough staff to man it properly.

● Patients were suffering from the shortage of nursing staff.

● Staff have to choose which seriously ill patients most need their help.

● Facilities provided at the hospitals are no longer

The salaries of nurses in provincial hospitals went up by between four and 10 percent in June but are still not in line with those paid by private enterprise. **JENNY DYER** spoke to doctors and nurses who claimed poor pay had led to a serious staff shortage in Johannesburg.

ger limited by the size of the hospitals but by the staff shortage.

● It is not unusual at night and weekends to find two junior nurses in charge of an adult ward or ward of sick children.

● Babies do not receive the full attention they should because there is not enough staff to treat them all at the same time.

● Some medicines are not freely available and red tape is involved in acquiring them. They are frequently refused the reason given that the country is economising) so the staff have to make do with "pot luck."

● Equipment is ordered and approved — or refused — by persons not familiar with modern requirements.

The nursing staff's main

complaints are that:

● Recent salary increases are totally inadequate and favour the more highly paid senior staff. The increases vary between four and ten per cent although it is believed that matrons received more.

● This means an actual increase for senior sisters is between R7 and R24.

● A senior sister with six years' experience and sometimes working a 60 hour week can hope to bring home R540 a month.

● The responsibility and pressures on sisters (especially in the intensive care units and theatre) are enormous. During an emergency they are sometimes on duty for up to 21 hours.

● The morale of staff is low.

● The overtime rates have recently been decreased.

● Weekend and public holiday duty is required with no extra pay.

● Nurses' homes—which are cheap — have too strict rules such as no alcohol and no male guests.

● Senior staff and doctors get preference for flats which are supposedly built for nursing staff.

● Sisters in some hospital departments — intensive care and theatre — have to be on call during weekends and at night. They receive no telephone allowance.

● If they are called



# ...e patients are suffering

es  
ls

out in an emergency, petrol can be claimed if the correct forms are filled in. This involves so much red tape that many do not bother.

● If they have to work overtime, it is inconvenient to make use of the bus service provided by the hospitals, so a car is necessary.

● Repeated meetings and representations to higher authorities have been fruitless.

"More than R100 million was spent on the new hospital and equipment and they are trying to run it on sixpence," said one source.

"Every year the province spends millions of rand training these girls and then lose them to private enterprise.

## Perks

"The solution is to put salaries in line with competitive salaries in the private sector. You can't give a girl in Beaufort West the same salary as one in Johannesburg because their living expenses and work competition is different."

Points which are usually given in favour of the nursing profession are that nurses receive:

● meals at hospitals which are reasonably priced;

● cheap accommodation at nurses' homes;

● a six-monthly shoe allowance;

● free uniforms.  
"All these perks don't mean anything without a decent salary," said a doctor.





# 355 325 DD Indaba 7/9/79 Employment up 2,8 pc and wages up 16 pc

JOHANNESBURG — An indication of the real improvement that has taken place in the South African economy in the year to May 1979 is given in the latest employment and wages statistics produced by the Department of Statistics.

During this 12-month period total employment rose by 2,8 per cent to 2 755 498, while total wages paid by all industries, including the Railways and Post Office, rose by 16 per cent to R791 300 000.

The fastest growing sectors were the construction

industry where total employment went up from 393 400 in May 1978 to 411 300 at the end of May this year and — as to be expected — in the mining and quarrying industries. Here total employment increased by 3,4 per cent to 689 749.

The recovery in the construction industry is an encouraging feature of this statistical release, but the numbers show there is still a long way to go. In 1976, this sector of industry employed 445 615 against May's 411 300. And a large percentage of the shortfall is in the

number of blacks who are still jobless.

By and large, wages appear to be keeping pace with inflation. The average wage paid to all races in all industrial categories was R254,20 a head in May 1978 and this figure grew by 12,9 per cent to R287,20 in May this year. But discrimination is seen to be raising its head when average wages for each race group is examined.

White wages have gone up by 14,2 per cent from R654 a month to R747 a month. This omnibus figure obviously includes management salaries, as well as pay to artisans and operatives.

The relatively small number of Asians employed in industry are doing a little better than the Coloured group. Their average wage has gone up by 14,4 per cent to R225,20 a month so that they are at least keeping abreast of the race against prices.

The blacks, too, are statistically ahead of the inflation struggle with their wages in May, 1979, 14,4 per cent higher than a year back, with pay packets now averaging R153,70 a month. But in actual fact the black workers are not really treading water because the food index has risen faster than other living costs and food is the major charge against their total take-home pay.

There do appear to be gaps in these employment statistics. The official numbers show that the only industrial segment which has discharged workers has been the construction industry. Total numbers officially employed in manufacturing industry, mining and the other sub-sections, which include electricity generation, the Post Office and the Railways, are all showing absolute growth in terms of peak employment rates in 1976.

— DDC.

## STUFFED CABBAGE SALAD

1 fresh green medium size cabbage  
onions  
carrots

tomatoes  
fresh pineapple  
radishes

May Bennett, Ridgeworth

43

## SPRING GREEN SALAD

1 medium size lettuce  
2 onions  
parsley

1 cucumber  
mint (fresh)  
scallions

May Bennett, Ridgeworth

44

Cut the centre from the cabbage, leaving the outer leaves to form a bowl. Wash well. Chop onion. Peel and cube the carrots and pineapple. Cube tomatoes. Thinly slice some of the inner leaves of the cabbage leaving the stalks. Place the carrots, pineapple, tomatoes, sliced cabbage and the finely chopped onion in a bowl adding any juice from the tomatoes, pineapple and add salt and black pepper to taste. Toss well then fill the bowl.

Wash and shred the lettuce, chop onions finely and parsley; keep a few pieces for garnishing. Wash cucumber peel and cube. Wash scallions, and cut tops off leaving a short piece of the green left on. Toss the lettuce, parsley, cucumber, onion and scallions together, salt and pepper. Pour over a little French dressing and serve in a glass bowl. Garnish with a few sprigs of mint and parsley.

Ridgeworth  
cut side  
London  
led and diced  
peas  
ch dressing.  
proof paper

so that no lumps form, and then add the sugar and vinegar, boil up and stir all the time, then add the cooked beans and onions, bring to boil again. Bottle.

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## APPLE TUNA TOSS SALAD

1 medium head lettuce, torn in bits-size pieces (4 cups)  
2 cups diced apple  
1 11 oz can (1 1/3 cups) mandarin orange sections, drained  
1 6 1/2 or 7 oz can tuna, drained and broken in large chunks

1/3 cup coarsely chopped walnuts  
1/2 cup mayonnaise or salad dressing  
2 t soya sauce  
1 t lemon juice

---000---

East London  
all cooked, then



earnings was around 4:1 in manufacturing and construction; about 4.5:1 in the SAR and the GPO and social services (including government); just under 3.5:1 in commerce; and 8:1 in mining. Finance boasts the lowest ratio (about 2.5:1), but very few blacks are employed there. The study also contains interesting data about the racial breakdown in the various sectors. Not surprisingly, black penetration of almost all sectors has steadily increased. The exception is social services

CAKE

Jan

- flour
- baking powder
- butter
- sugar
- salt
- milk
- 3 T honey
- 1 1/2 T butter

dry ingredients. Heat milk and 2 tablespoons until melted. Beat egg and add to milk and

(government, the professions and so on) where the black percentage of the total workforce has actually decreased somewhat over the last three decades. Blacks predominate in most sectors which employ manual labour. But, in commerce and finance, they are still heavily outnumbered. In 1976, whites made up 67% of the commercial workforce (including working proprietors), and outnumbered blacks 3:1 in finance. De Lange believes that post-1976 pattern may well show a slight trend in favour of whites due to the "post-1976 shake-out," when many blacks were retrenched. The major employer of black workers is the service sector (which includes domestic service), followed by agriculture. But black workers are drifting off the farms and De Lange expects manufacturing to have far outpaced farming as a black employer by the end of the century. Not surprisingly, the service sector is the chief white employer.

yolks with sugar until creamy, then add nuts, baking powder and lemon. Fold in stiffly-beaten egg-whites. Bake at 350°F for 1 hour. with whipped cream.

if it is too thick. Chill in a large bowl. Before serving pour on sour cream and sprinkle with chopped chives.

BEAN SOUP (Serves 8)

Cat

- 1 pkt sugar beans
- 1 slice beef shin or soupmeat
- 1 Kassler rib or bacon bones
- handful soup celery chopped
- 2 bay leaves
- 1 onion studded with 8 cloves
- 2 carrots, chopped
- 2 1/2 litres water
- salt & pepper to taste

Wash beans, cover with water, bring to boil. Boil for 2 minutes. Remove from heat and soak for 1 hour. Bring to boil again, add rest of ingredients. Simmer till beans are tender. Cool. Remove meat and 1 cup beans. Purée remaining soup in blender. Heat slowly. Put a few reserved beans in each serving bowl. Sprinkle with Worcester sauce. Cover with soup. Garnish with cream and crumbled bacon or croûtons.

PRESERVED BRINJALS

Sue J

- brinjals
- white vinegar
- olive oil
- garlic
- fresh marjoram

Peel brinjals and cut into Julienne strips. Put into enamelled pot and cover with white vinegar and bring to the boil. Cook for as short a time as

# STUFFED CABBAGE SALAD

May Bennett, Ridgeworth

- 1 fresh green medium size cabbage
- onions
- carrots
- tomatoes
- fresh pineapple
- radishes

Cut the centre from the cabbage, leaving the outer leaves to form a bowl. Wash well. Chop onion. Peel and cube the carrots and pineapple. Cube tomatoes. Thinly slice some of the inner leaves of the cabbage leaving the stalks. Place the carrots, pineapple, tomatoes, sliced cabbage and the finely chopped onion in a bowl adding any juice from the tomatoes, pineapple and add salt and black pepper to taste. Toss well, then pile the salad into the cabbage "bowl". Garnish with radish roses and a small bowl of mayonnaise for those who like it. To make the radish roses cut them in

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# SPRING GREEN SALAD

May Bennett, Ridgeworth

- 1 medium size lettuce
- 2 onions
- parsley
- 1 cucumber
- mint (fresh)
- scallions

Wash and shred the lettuce, chop onions finely and parsley; keep a few pieces for garnishing. Wash cucumber peel and cube. Wash scallions, and cut tops off leaving a short piece of the green left on. Toss the lettuce, parsley, cucumber, onion and scallions together, salt and pepper. Pour over a little French dressing and serve in a glass bowl. Garnish with a few sprigs of mint and parsley.

44

# CURRIED GREEN BEAN SALAD

Mrs Futter, East London

- 2 lbs sliced green beans
- 2 chopped onions
- 1 d salt, level
- 2 cups water

Boil the beans (sliced) with salt and onions till cooked, then pour off the water.

- Sauce:
- 1 1/2 cups sugar
- 1 d curry powder
- 1 heaped T flour
- 1/2 bottle vinegar

Mix the curry powder, flour with a little water. Mix well, so that no lumps form, and then add the sugar and vinegar, boil up and stir all the time, then add the cooked beans and onions, bring to boil again. Bottle.

# APPLE TUNA TOSS SALAD

- 1 medium head lettuce, torn in bite-size pieces (4 cups)
- 2 cups diced apple
- 1 1/2 oz can (1 1/3 cups) mandarin orange sections, drained
- 1 6 1/2 or 7 oz can tuna, drained and broken in large chunks
- 1/3 cup coarsely chopped walnuts
- 1/2 cup mayonnaise or salad dressing
- 2 t soya sauce
- 1 t lemon juice

In a large salad bowl, combine lettuce, apple, orange sections, tuna and nuts; toss together. Combine mayonnaise, soya sauce and lemon juice; mix well. To serve, add dressing to salad; toss gently. Makes 4 - 5 servings.

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NM.  
18/9/79  
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# Unfruitful vigil

POOR WAGES and inordinately long working hours are components South Africa can do without if our labour structure is to be solidly built; hence the dismay caused by yesterday's report that many African security guards are working an 84-hour week of seven 12-hour shifts for about R103 a month.

Such a wage is far below the poverty datum line and out of step with modern employment conditions under which it is accepted practice to give workers time off to visit their families or relax in a way of their own choosing.

Fortunately most of the security firms in this province are members of the Natal Association of Security

Guards, which complies with labour legislation and wage determinations. But those who are not members are said to take on unregistered workers at half the wage determination.

If our unemployment rate, today running at more than 1 000 000, has encouraged some employers to become exploitive they should quickly be made aware of their obligations to the State and the people they employ.

We hope the Department of Labour will launch a thorough investigation to ensure that all employers offer a fair wage and reasonable working hours. The alternative would be to refer malpractices to the recently-created Labour Court which comes into effect on October 1.

Elizabeth

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# Teachers' strong line on salaries

19/9/79  
321  
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The Federal Council of Teachers' Associations will not accept any teachers' salary agreement that is not retrospective to April 1. Mr J F Steyn, secretary of the council said today.

Mr Steyn said his organization was not prepared to discuss future salary structures for teachers until current dissatisfaction had been cleared.

"Promises have been made to teachers for the past 10 years and, since

1975/76, basic principles undertaken by the Government have not been met."

The next step in salary negotiations will be a meeting with the Prime Minister and a committee of three Cabinet Ministers -- Senator Horwood (Finance), Mr Schlebusch (Internal Affairs) and Mr Jansen (Education).

⊗ Lack of teachers blamed on low pay —  
Page 8.

*Their task is an exacting one*

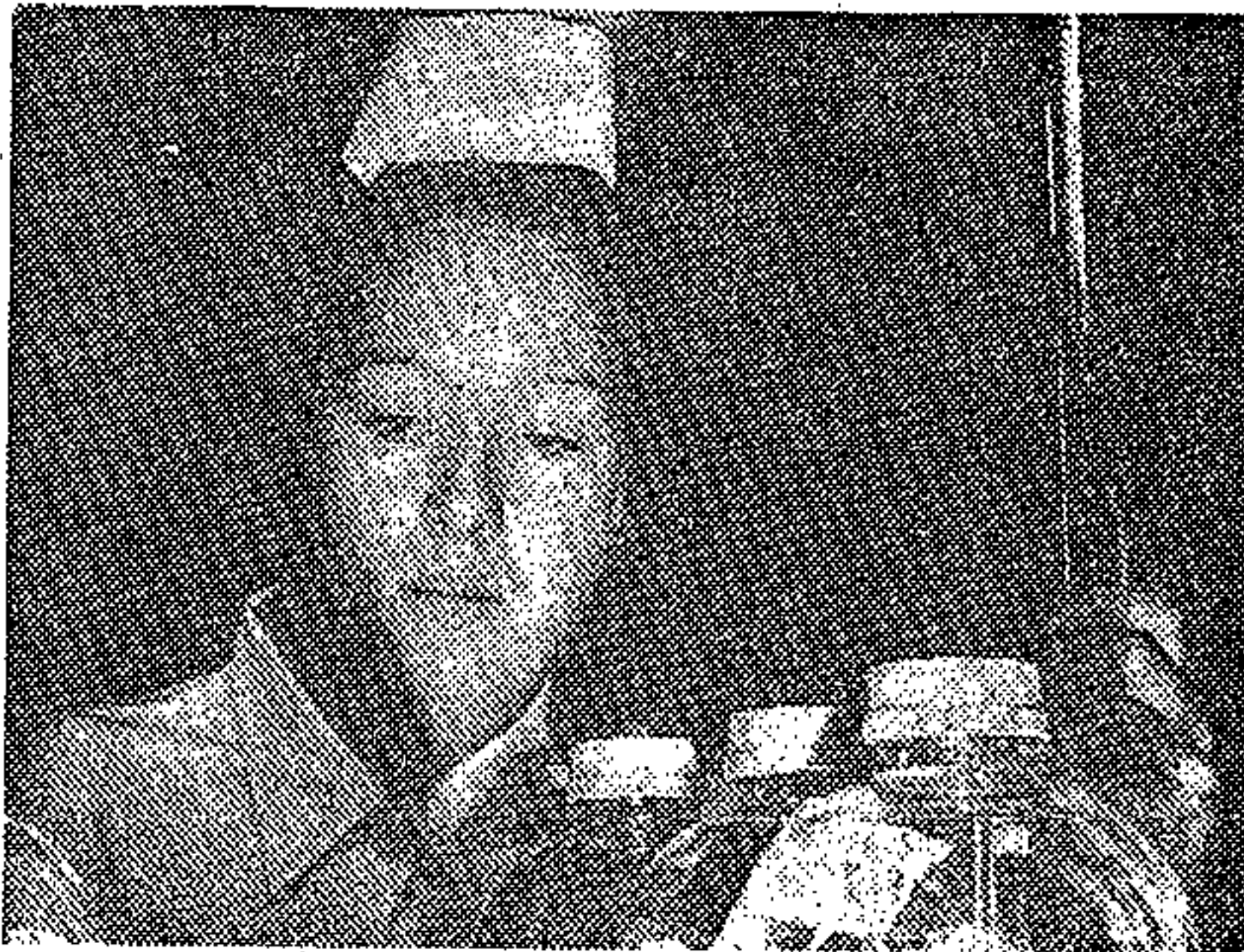
# Time to look at wages of nurses

Many years ago The Star carried a full page report on slave labour in this country — a reference to the wages paid by the mines to their black workers. On the back page of the same issue, there was also a mention of underpaid nurses. The mining companies went out of their way to educate the black worker so he could qualify for higher wages but the Government to this day has done nothing to benefit nurses.

The Star (Sept 6) carried two reports "Underpaid nurses quit hospitals" and "Government to control medical fees" which I think is the biggest joke in 50 years.

A thorough investigation into the wages of nurses is necessary and it should be borne in mind that the Department of Health is merely there to do the paper work — in no way does it assist in saving lives.

George Kerr  
Pietersburg.



"Nursing is more scientific than anyone would have believed necessary a few years ago," says a nursing matron. (The Star Sept 6.)



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September 20, 1979

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## New bus fares will cripple some garment workers

# Daily

# bread,

# milk

# and 30c

Mercury Reporter

A BLACK clothing industry worker in Port Shepstone earning the minimum wage allowed by the Government will just be able to afford a loaf of bread and a litre of milk a day when the new 50 percent bus fare increase is introduced next month.

A Mercury investigation revealed yesterday the minimum wage for a general worker in the clothing industry in the area was R7,70 a week.

Of that figure workers will pay R3,35 a week for bus fares from October 1.

Workers are presently paying R2,25 for a weekly ticket after a R4,30 Government subsidy. They will pay an extra R1,10 when bus fares increase by about 50 percent next month.

Mr. L. Aaron, manager of Marburg Manufacturers, a clothing factory in the area, yesterday refused to say what he was paying workers, some of whom were dispersed by police using tear-gas after a strike earlier this week.

"There is a Government Wage Act. There is a minimum wage and if I don't stick to it I will be prosecuted," said Mr. Aaron.

Asked what he was paying workers he said: "You must discuss that with the Labour Department."

He hit out at the 50 percent bus fare increase saying it was "ridiculous".

He subsidised his workers' travel costs but would not say by how much.

From the amendment to the 1957 Wage Act, published in Government Gazette dated July 8, 1977, it was discovered a male worker in the clothing industry earned a minimum R10,20 a week during the first six months.

The minimum wage for a machinist, presser, chopper-out, trimmer, finisher, and fitter-up was R8,90 a week and for a general worker it was R7,70 a week.

Subtracting the new weekly bus fare from the general worker's wage (including the Government subsidy but excluding any employer's subsidy) a man would be left with R4,45 a week.

Going by the cheapest supermarket prices for a loaf of bread and a litre of milk, a worker could just afford these commodities daily with less than 30c change.

Mr. Aubrey Thompson, the Mayor of Port Shepstone, was "shocked" at the position and feared it was creating social unrest in the area.

### Wages

"They pay the same as we do for bread and sugar. Nobody in their right mind can expect them to live on a wage like that. Anyone who does should take a long, hard look at themselves," said Mr. Thompson.

The bus boycott at Hammarsdale quietened down yesterday and many of the buses were running full, according to a police spokesman.

Mr. P. D. van Zyl, manager of the bus company, Mpumalanga Transport, considered it as normal passenger resistance to increased fares rather than a boycott.

23/9/79

# SA heads for a pay explosion

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**AN EXPLOSION in wages and salaries will pump as much as R4 500-million more into the hands of consumers next year.**

This is the prediction of various leading private and public sector economists, as well as of top manpower selection and remuneration researchers questioned by Business Times this week.

Many of the experts say the increase in the country's wage and salary bill could even top R6 000-million, bringing the total remuneration of all employees up from some R23 000-million in 1979 to R29 000-million for 1980.

Heavier tax — as earners move into higher tax brackets

— and inflation will swallow as much as 15% of the extra money earned.

But most of the impact of the higher tax is only likely to be felt the following year, when it becomes payable.

In any case, more than enough extra pay will remain to detonate consumer spending, which could be more dramatic than Government would like or which the economy can absorb without beginning to overheat.

Reasons for the expectations of a deluge of pay hikes include:

- A powerful and wide-ranging backlog of pay demands has been built up in the past three or four years, during which companies have relied heavily on wage and salary restraints to keep their costs down.

- Business activity has been quickening, especially in the past few months, thus increasing the demand for executives and technical men, as well as for other workers in many industries.

- With the quickening in business activity, employees are no longer prepared to buckle down under exhortations to "wait until we can afford to make up for what you have sacrificed in the lean times".

- Black wages have been rising faster than those of whites, but still much more slowly on an annual basis than a few years ago. With inflation picking up, blacks are going to

By STEPHEN ORPEN

- want better increments again, even where their productivity has not improved.

- Senior employees have watched while juniors, especially those qualified in the professions and in many trades, have come in on relatively high pay (for instance, R1 100 a month for a freshly-qualified chartered accountant) and have advanced faster than their bosses in terms of increments.

- The junior-senior gap has been closing. Now the seniors want redress.

- Middle-ranking employees have been still more alarmed at the fast progress of juniors, the rise in black wages and the

seemingly disproportionately high pay of the top men in companies — at a time when their own increments have failed to keep pace with inflation rates.

Boosted by the R200-million which the Minister of Finance, Owen Horwood, announced this week is to be injected into consumers' hands through tax concessions, subsidies on staples and higher pension payments, the extra confidence and purchasing power of consumers could sweep the economy swiftly into the expansion-of-investment phase, which characterises the mature phase of upswings in the business cycle.

Provided it did not occur too fast, this would spell success for the ultimate aim of Pretoria's current growth policy: a



Minister Horwood ... can he keep his fist tight?

swing upwards in new investment in factories and other means of production.

The Senior Deputy Governor of the Reserve Bank, Dr Gerhard de Kock, says the policy is now not to be satisfied until the new investment phase has been properly established.

But he also tells me: "We naturally do not want the horse to run away with us, necessitating new constraints on growth in order to counter unacceptably high inflation."

Other members of the Prime Minister's new brains trust for economic policy, including the PM's economic advisor, Dr Simon Brand, and the Secretary for Finance, Joop de Loor, likewise trust that, with an expan-

● To Back Page



# Mining firms rapped on low pay for blacks

210  
345  
356  
STAR  
25/9/79

By Peter de Vos  
Soweto was not a monument to the folly of apartheid, but a monument to the private sector's greed for labour. Dr Wim de Villiers, chairman of General Mining, said today.

Speaking at the Federated Chamber of Industries conference, Dr de Villiers attacked the private sector for its "self-

satisfied, holier-than-thou cocoon, isolating itself from reality."

It had little cause for pride in its history of wage levels, he said. It had been effective in using all the arguments of supply and demand and the free market economy, while blaming apartheid.

"We fail to recognise that we have a grave basic problem in the eco-

nomy — that of an acceptably small leader group of entrepreneurs, managers and professional people who have the responsibility of creating job opportunities for a vast reservoir of unskilled and semi-skilled labour.

"The leader group must not only be expanded, but must be put to work where the need is greatest."

"The private sector must use its expertise, knowhow and other resources to the advantage of all South Africa's peoples."

He said R1 739-million had flowed out of the country in the past two years through the private sector.

"Are we again going to blame something or someone else, such as lack of foreign confidence?" Dr de Villiers asked.

## UNREALISTIC

The private sector must create job opportunities for 300 000 people every year. Labour-intensive industries must be established, particularly in the traditional economies.

"But in doing so we obviously cannot price ourselves out of the market by paying unrealistic wages for unskilled labour," he said.

The private sector must help to identify the generators of growth in underdeveloped areas and help to develop these as quickly as possible.

South Africa should rather be an exporter to its neighbours of durable consumer goods, intermediate goods and capital goods requiring higher technological content, and import from them agricultural raw materials and minerals as well as certain processed consumer goods.

With the lower wage rates in the black states, South African undertakings could benefit by establishing labour-intensive factories there, gaining access to the rest of Africa.



# Probe shows meter maids earn more than some teachers as . . .

By VIV PRINCE

A METER maid with a Std 6 and four years' experience earns R47 a month more than a second year teacher with three years' training.

This was one of the facts that emerged as the bitter pay dispute between teachers and the Government simmered on.

The Federal Council of Teachers Associations will hold its annual meeting this week and will discuss what line of action teachers can take in the face of deadlock.

"We have said under no circumstances will we allow children to suffer. We're not going to go for a general strike but we could withdraw from co-operation on all sorts of levels," said Mr Jack Ballard, general secretary of the Transvaal Teachers' Association.

Meantime it was announced this week the Prime Minister and three Cabinet Ministers are to meet delegates of the teachers' union in Pretoria on October 24.

But what are the pay facts? The Sunday Tribune has examined several cases and balanced them against the pay of a Johannesburg traffic warden or meter maid.

The meter maid must have a Std 6 and her starting salary is R290 a month. After she's completed four years the salary can rise to R407 a month maximum. They work five hours a day.

This is the teachers' situation.

• Case A: A female senior assistant at a Transvaal primary school. She's been teaching about 18 years — plus three years training. Gross salary: R600 a month. Take home pay: R480.27. She is about to be made a head of department and her salary will then rise to R760 before deductions.

• Case B: A 27-year-old second-year

male teacher at a Transvaal primary school. He did four years training. Gross salary: R487 a month. Take home pay: R389. He is married and spends R145 a month on rent, lights and water, R100 a month on a car repayment and R60 on insurance. He saves R60 a month.

Fortunately his wife works. If she didn't they would be left with R24 a month for food, petrol, clothes, everything. So babies are out.

• B's wife is also a second-year teacher but with three years training. Her gross salary is R360 a month. She clears R313.

Both say that if they had the chance again they would never choose teaching.

• Case C: A female high-school teacher, 28, single. She did a three-year diploma course in teaching and has taught for three years. Gross salary: R450 a month. Take home pay: R376. She spends R160 a month on rent, food inclusive and a further R80 on petrol. That leaves R136 for everything else.

"What really bugs me," she said, "is to speak to a secretary who's done a six-month course and within a year she's clearing more than I am."

Case C is considering quitting teaching. "I enjoy it but at the same time is it worth it? I was speaking to a girl who does selling, a rep, and she gets R900 to R1200 a month."

The Sunday Tribune was told that the headmaster of a big high school, "the heaviest job in education", would earn around R15 000 a year. "It doesn't compare at all with what commerce and industry would give for similar responsibility," said the source.

Mr Ballard said teachers' salaries should be compared with commerce and industry as this is where teachers are lost to. Teachers feel cheated — this was the message from Mr Ballard.

"Promises have been made and not been kept," he said. "There has been a breach of trust and faith. There's a feeling we've been fobbed off and we certainly won't stand for this much longer."

"Now they've got to meet with us and make definite and concrete proposals."

Mr Ballard says that civil service pay is ahead of teachers. And adds that there's a report which shows "exactly what we maintain that the civil service is better off than the teachers and therefore there was no reason to exclude teachers from the 10 percent increase given in April."

Mr Ballard said there's a decided drop of teachers in the Transvaal.

Professor A. N. Boyce, Rector of the Johannesburg College of Education, said this week there were other factors but the drop could be attributed to salaries.

He supports the teachers in their bid for better pay. "I believe salary scales are a measure of the esteem in which a society holds the profession."

"The public should support us in this if they believe that the education of their children is really important. I have spoken to our young men and to those who have left the profession and they've not been able to come out," he said.

Professor J. D. V. Terblanche, chairman of the Federal Council of Teachers Associations, said the meeting on October 24 followed a request made by the Council's executive committee to the Minister of National Education on September 14.

At the meeting the Prime Minister, Mr P. W. Botha, will discuss teachers' salaries with the Ministers of Finance, the Interior, National Education and the FCTA.

# ROW DAY THE SIMMERS ON



# Wages set to take off

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S/Tribune

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By JACK BRICKHILL

A WAGE explosion threatens to rip through Professor Horwood's plans to curb inflation.

The trade unions are in no mood to restrain their demands.

Andre Malherbe, president of the Trade Union Congress of South Africa, which represents 240 000 workers of all races, says he is not prepared to consider modifying wage demands if nothing effective is done to control prices and Government spending.

"It is particularly unacceptable as the root cause of inflation lies with the Government itself. An example is the Government's exceptionally large cut of the highly inflationary petrol price."

He says the trade union record in the battle to control inflation speaks for itself. "We have made all the sacrifices and yet the Minister still goes on

talking about restraint."

Companies throughout the country are stepping up predictions of wage increases in the next year. A survey by the PE Consulting Group shows that in August most companies were planning to increase executive salaries in the next year by between 10 percent and 12,5 percent.

Since then the forecast rises have been revised to 15 percent because of escalating inflation. Rises for blacks, Indians and coloureds have been increased from 13 percent to 15 percent and for whites, other than executives, it is up from about 10 percent to 12 percent.

Survey unit manager Jon Cole says there is no real pressure on the labour market at present, except for engineers, but if the economy takes off there will be a wage explosion with companies falling over themselves to keep

employees and buy over new ones.

Professor Jan Sadie, director of the Bureau for Economic Research at Stellenbosch University, is one of the few people in the country who advocates Government-imposed price control.

He says wage restraint is less important at the moment than price restraint. Price control is the only way to increase real wages.

Putting more money in the hands of people will lead to another round of price increases.

Two-thirds of the respondents to a survey being conducted by the bureau say the shortage of skilled labour is the main bottleneck to development.

In 1977 only one-third gave this reason.

"The situation is crazy. We have all the potential labour but we don't train it," said Sadie.

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Semester, 12% of the sample stated they would find it desirable and 30% would find it very valuable indeed.

## 2.7 Library Instruction Course

An overwhelming majority of the sample were extremely enthusiastic about the library course and found the librarians very helpful.

## 2.8 Academic Advice

In indicating whose advice they had primarily sought in planning their university curriculum, the sample indicated as follows:

# More pay for public servants

Argus 25/10/79. 335  
Argus Correspondent

PRETORIA. — The Prime Minister, Mr P W Botha, has defused the explosive issue of teachers' salaries by foreshadowing a new pay deal for all Government workers.

The issue was threatening danger to education through angry teacher walkouts and was being used by critics, also within the National Party, as a stick to beat the Government.

The depth of feeling among teachers was shown when the Government came under fire at the Transvaal National Party congress last month.

Teachers will be lumped uniformly with the rest of the Government sector in

determination of better pay and service conditions to be announced in the Budget.

## ANOTHER STEP

Mr Botha described this as another step towards his aim of orderly Government and blamed the fragmentary nature in which pay increases were granted in the past as the reason for imbalances and dissatisfaction.

Teachers, through the Federal Council of Teachers' Associations, who saw the Prime Minister yesterday, expressed satisfaction last night that they were being accommodated.

The Prime Minister announced:

● Existing holiday savings bonuses would be replaced by an improved service bonus equal to one month's pay.

● The Government undertook to include teachers in all future Public Service pay deals. Financial implications of improvements were under consideration for next year's Budget.

● Post structures for both the Public Service and the teaching profession would be meaningfully stratified.

## DETAILS

Details of the new service bonus will be given to Parliament and made known to staff through the usual channels.

The Prime Minister warned that all professions could not expect the same degree of pay improvements, but variations would be moderate and bear relation to a uniform top structure for senior officials.

He added that it did not appear that this year's tax concessions of R762 million were always taken into account in evaluating the need for pay increases.

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# Irate Reef nurses demand: when do we get more pay?

Star. 6/11/79

95 355

**Elizabeth Wilson**  
Nurses of the Witwatersrand branch of the South African Nursing Association are demanding to know why the association, with 110 000 members, cannot get a satisfactory reply on the vital issue of salaries.

At a tense meeting held at the Johannesburg Hospital yesterday, nurses, senior sisters and matrons condemned the many delays in securing proper recognition for nurses.

They said their patience was wearing thin.

Nurses on lower salaries were battling to keep up with the rising cost of living.

Sister Pam Nortje, a theatre sister with 12 years post-graduate experience, told the meeting: "I don't know how long you are going to take it — but I am leaving."

"Are you aware that a matriculant can step out of school, do a three-month computer course, and earn R500 a month?"

"I've given hours of my time away from my family and not been paid for it."

She challenged the main speaker, Professor Shirley Williamson — of the nursing department of Wits University and a member of the SA Nursing Association Board: "We are all waiting for concrete evidence of what you are going to do about salaries."

Another sister, Mrs F Furniss, questioned why nurses had to rely on the



Some of the nurses who expressed frustration and despair about salaries at a meeting of the Witwatersrand branch of the South African Nursing Association, in the Johannesburg Hospital last night.

public media for "limited" information about salary negotiations.

She objected to a remark by the Nursing Association president, Professor Charlotte Searle, that nurses should be "patient."

She said Professor Searle had been asked on four occasions to address the Witwatersrand branch on salaries. "She has not once had the courage to come and tell us what is happening."

Sister Furniss also demanded to know what representation nurses had on the 42-member National Manpower Commission. "If there is a nurses'

representative, we need to know who it is."

Professor Williamson said she was aware that nurses' patience was coming to an end.

She said the SANA Board would be pleased if "someone from the poorly paid group" would come forward as a spokesman — "someone you consider your own."

Earlier she had chronicled the efforts of the Nursing Association over the past nine years on the salary issue.

She estimated that it would cost about R12-million to increase nurses' salaries.

Professor Williamson said she had approached the Acting Secretary for Health this week. Representations were with the Public Service Commission and the Minister of the Interior, and requirements had "gone to Cabinet level to be considered in the 1980 Budget."

She said the Prime Minister had approved a service bonus for April 1 — probably one month's salary.

Professor Williamson said she had not been told when salary increases would come through.



TABLE II

	WHITE		ASIAN		COLOURED		BLACK	
	Male	Female	Male	Female	Male	Female	Male	Female
Rheumatic Heart Diseases (390-398)	115 1.2%	121 1.5%	28 2.5%	15 1.9%	120 3.9%	139 4.4%	49 2.1%	56 2.9%
Hypertensive Diseases (400-404)	212 2.2%	389 4.9%	115 10.1%	127 15.8%	190 6.1%	276 8.8%	273 11.4%	212 11.0%
Ischaemic Heart Diseases (410-414)	5737 58.8%	3118 39.3%	537 47.3%	246 30.6%	845 27.1%	566 18.0%	148 6.2%	66 3.4%
Cerebrovascular Diseases (430-438)	1587 16.3%	2181 27.5%	273 24.1%	239 29.7%	939 30.2%	1278 40.7%	772 32.3%	749 39.0%

# Views on this differ

BLACK AND WHITE unionists yesterday agreed that the minimum wages negotiated by trade unions are low — but they had different explanations for this.

Mr A Malherbe, president of the Trade Union Council of South Africa (Tucsa), said:

"I would not want to comment adversely without knowing the circumstances. I don't think unions accepted the minimum wages because it was what they wanted, but because it was all they were going to get."

He said the household subsistence level was calculated on a family of six, but it could be that the minimum in an agreement did not affect people with families. It could be people just leaving school, he said.

The general secretary of the Federation of South Africa Trade Unions (Fosatu), Mr Alec Erwin, said:

"Our belief is that small unions, divided racially and fragmented industrially, will never be strong enough to achieve any significant advantages or improvements for workers."

A large number of unregistered unions are affiliated to Fosatu.

Mr Erwin continued: "We believe it is the strength of the unions and not that of the industrial councils that is important."

"In general, industrial councils do not contain very good conditions for the worker, particularly the black worker. It does not surprise us that the minimum wages are below the minimum living level."

Mr Leonard "Skakes" Sikhakhane, secretary of the Food, Beverages and Allied Workers' Union, said members of registered trade unions looked after their own interests and did not care for the African worker — "They

are generally not affected by the minimum wages.

"Maybe with the new legislation, the presently unregistered unions will get registration and a chance of sitting on industrial councils and speaking for their members. They will be speaking of what they know from their members."

Mr Ronnie Webb, first vice-president of Tucsa, said:

"When we negotiate minimum wages, we cannot take into account the number of persons in a family. We negotiate for a particular job."

"One should also remember that it is only the minimum we negotiate and usually people are paid in excess of this minimum, although there are a few employers who pay the minimum."

He denied that members of registered trade unions were not affected by the minimum in the lowest grade.

Mrs Lucy Myubelo, secretary of the National Union of Clothing Workers, said low wages have always been a matter of concern to her union.

"For example, during our last round of negotiations we asked for a 25 percent increase in all wages. But we were told about the factories in the borders of the homelands, where wages are much lower than ours and where they work longer hours."

"We were told that goods from these areas are sold in the same market and for the same prices as the goods produced here."

"But we are always striving for better wages," she said.

Total  
Circ

Motor

Suici

Homic

Total  
(E86)

\* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision). See Ref. 13.



# Most wage pacts too low

**MOST minimum wages negotiated by trade unions in industrial councils are below what is necessary to support a man and his wife, research and survey figures indicate.**

By JOE MHLILOE

This emerged from a comparison of figures just released by the Institute for Planning Research at the University of Port Elizabeth and information compiled by the Institute for Industrial Relations (IIR).

The IIR recently published information on industrial council agreements which came into effect in August and early September.

An unqualified machine operator in the millinery industry in the Transvaal earns a minimum of R21,10 a week. This is R91,36 a month.

According to the latest figures calculated by the

Industry. Other groups start at grades higher than the minimum.

Only the registered unions negotiate industrial council agreements and, up to now, Africans could not belong to registered unions.

When these agreements were negotiated, officials of the Central Bantu Labour Board and representatives of regional labour committees could attend and speak for Africans, but they had no vote.

Other agreements listed by the IIR are: The Motor Industry Transport Undertaking Goods, Transvaal and Free State; the Electrical Contracting Industry.

15).

with caution as sick infants are often brought to the cities from rural areas. An indication of the situation in the rural areas is given by a sample survey carried out in Cape Town and Transkei among Xhosa-speaking Africans.<sup>12</sup> An increase in infant mortality was observed with decreasing urbanisation, the figure for the completely rural areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of

Transvaal; Bespoke Tailoring Industry, Witwatersrand; Road Passenger Transport Industry, Port Elizabeth; the Building Industry, Western Province.

The minimum pay in the building industry agreement is 63c an hour — about R122,75 a month working at a generous 45 hours a week.

A particular cause of death was of the relative effect of that cause on the expectation of life.

The calculation of rates involves a knowledge of the base population age specific population. No official estimates of this are available for inter-censal years. For whites, Asians and 'coloureds', the 1970 population has been projected forward using the age specific survival rates from 1970 and taking into account the actual births and deaths in the 0-4 age group. Allowance was made for migration.

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution<sup>10</sup> by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.<sup>11</sup>

use of deaths' according to the Bantu Reference Bureau (Bureau of Statistics). At least 50 000 deaths among Africans were not registered in the rural areas. It is estimated that deaths in the main urban districts are not registered for

Deaths were calculated:

City Rates.

In the passenger transport sphere: R158,13 a month.

Tailoring in industry: R80,97 for females and R99,59 for men.

Electrical contracting: R103,92.

Motor transport, Free State: R64,43 for females and R83,14 for men, and Transvaal, R76,30 for women and R106 for men.

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standard populations were used: developed population and Mexico 1960

Calculated mainly in five year age groups of the eighth revision of the International Classification of Diseases (ICD).

1970, the last census year.

the mortality experience of a population which would exist if a particular cause of death were eliminated. It gives an indication of the relative effect of that cause on the expectation of life.

The calculation of rates involves a knowledge of the base population age specific population. No official estimates of this are available for inter-censal years. For whites, Asians and 'coloureds', the 1970 population has been projected forward using the age specific survival rates from 1970 and taking into account the actual births and deaths in the 0-4 age group. Allowance was made for migration.

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# Wage standardisation must be resisted—Prof

By Chris More

**BLACKS** should resist wage standardisation because it has the effect of discriminating against low skilled workers, most of whom are blacks, according to a black American expert on economics.

Professor Walter Williams, Associate Professor of Economics, at the Temple University, Philadelphia, and also a Fellow of the Hoover Institute, has been invited to deliver a lecture at the 1820 Settlers National Monument Foundation international conference on "Free Enterprise and the Individual". The conference started yesterday.

Professor Williams also said the system of government in South Africa was misrepresented by people who said it was a free enterprise system. It was in fact State controlled, therefore more socialist than capitalist.

Professor Williams is a strong opponent of the minimum wage law. It enables the employer to discriminate against less skilled people and is favourable to more skilled workers. This is to keep many people without jobs. The situation was made worse by the fact that there were no training programmes to upgrade the standard of the less skilled workers, the professor said.

He said that: "There is a curious parallel between the use of the minimum wage level in America and in South Africa. South Africans were paying black labour as little as 40 cents an hour against nearly R2.00 for whites doing the same thing. But in those trades where the white unions wanted the blacks out, they succeeded in getting wage equality laws passed. Faced with the choice between paying blacks the same as whites or firing them, the employers fired black."

## WAGE

"The debate over the desirability of the minimum wage law has continued for more than 50 years, producing little agreement between advocates and opponents. However, most economists agree on a number of issues concerning wage rates in general which can be helpful in evaluating the effect, not the desirability of government intervention in the labour market," he said.

"The minimum wage law raises the wage to a level higher than that which would have occurred with uncontrolled economic forces. Legislative bodies have the power to legislate a wage increase; this is very clear. But when they legislated a wage increase, have they also legislated a worker productivity increase? That is entirely unlikely."

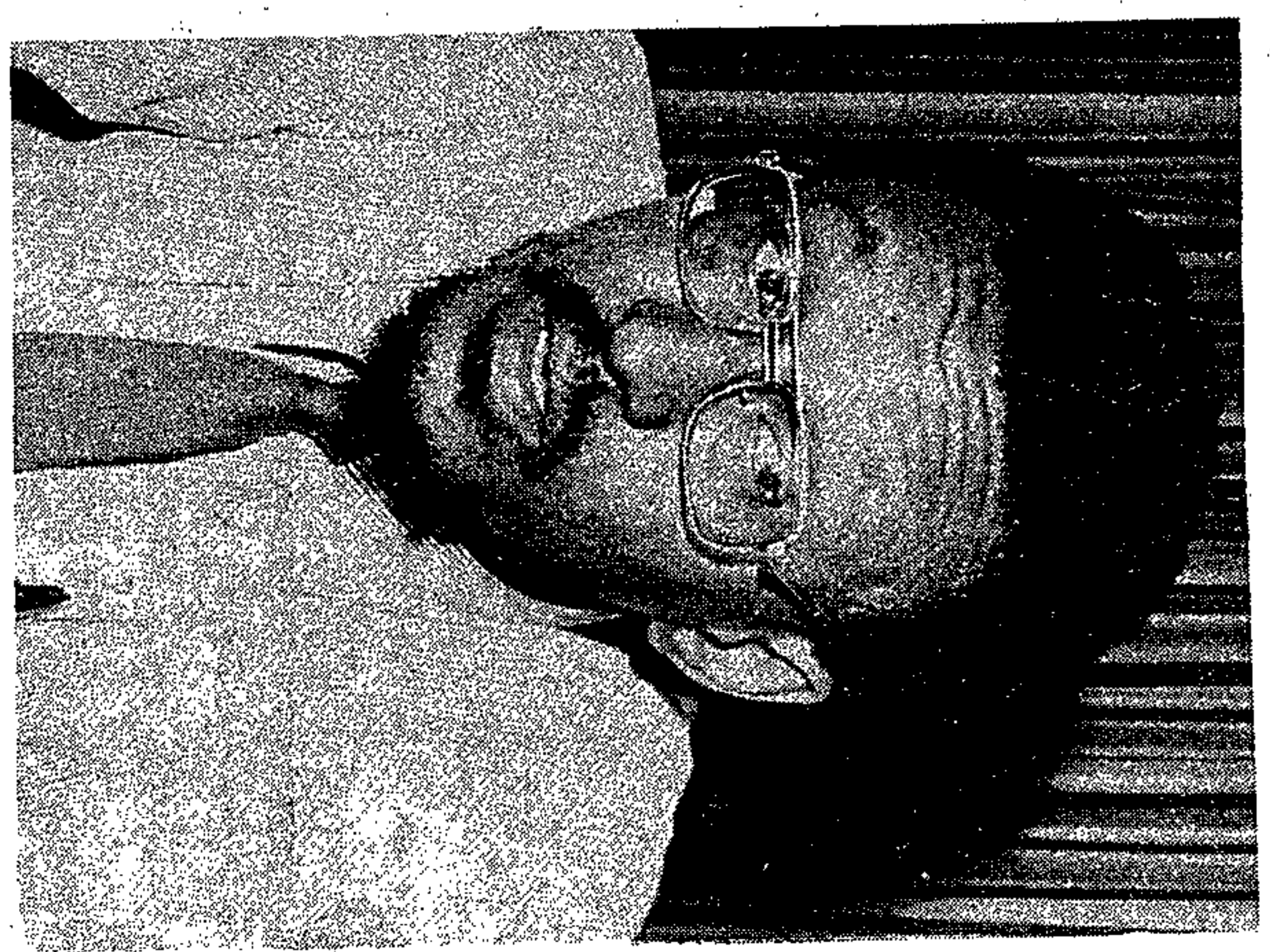
the minimum wage law raises the pay level to that which may exceed some workers' productivity, employers will make adjustments in their use of labour. Such an adjustment by employers may produce gains for some groups of workers at the expense of other groups. Those workers who retain their jobs and receive higher wages clearly gain. The most adverse employment effects fall upon those workers who are most disadvantaged in terms of marketable skills, who lose their jobs and their income.

"It seems though that in South Africa," the professor said, "those labour laws which apparently are for labour peace, translate into keeping the blacks out. A lot of the problems faced by South Africa are the result of a history of racial discrimination. Eliminate the barriers, there is no guarantee of change. Blacks also suffer from their low productivity education."

Professor Williams said: "The problem is legal. In the labour market, it is difficult for employer and employee to enter into voluntary exchange or device their terms of employment."

There is also the problem of unemployment. But those kinds of problems are temporary, he added.

He said South Africa held the greatest promise of any other country on the African continent, if it could come to grips with its domestic problem. "One is that whites would have to lose some privileges for the greatest freedom of all," the professor said.



Professor Walter Williams... blacks get 40 cents an hour against nearly R2.00 for whites doing the same thing.

	0,00	0,02	0,04	0,06	0,08	0,10	0,12	0,14	0,16	0,18	0,20
25-44	-	0,02	0,05	0,06	0,09	0,17	0,13	0,06	0,08		
45-64	-	0,23	0,19	0,44	0,37	0,36	0,36	0,34	0,25		
65+	-	1,25	1,09	1,07	1,83	1,57	1,10	0,73	0,56		
ALL	-	0,13	0,15	0,11	0,12	0,15	0,14	0,10	0,08		
NO.	785	1143	1075	276	303	38	42	169	165	203	130



# Pay more and keep TB away—Santa

Employers should pay their workers enough to keep them in good health and to keep diseases like tuberculosis at bay, according to an appeal to employers from the SA National Tuberculosis Association (Santa).

The appeal says that as

TB is a disease related to poverty, poor nutrition and overcrowded living, employers would increase South Africa's productivity by improving their workers' living, working and nutritional standards.

"Any efforts employers can make towards improved housing will help

to combat TB, and employers who have introduced canteen or feeding schemes have been rewarded with better productivity," the appeal says.

"We will continue to help the authorities and to find and treat TB sufferers, but we need the active participation and support of all sectors to

help us eradicate this disease.

"The decline in the risk of developing TB has not diminished with the amount of money and effort spent on combating it, and the destructive effects on the economy of 50,000 new cases a year needs no elaboration," Santa says.

	W		A	
	M	F	M	F
0-1	0,02	0,03	0,20	0,21
1-4	0,01	0,01	0,02	0,00
5-24	0,00	0,00	0,01	0,01
25-44	0,01	0,01	0,01	0,02
45-64	0,02	0,02	0,03	0,03
65+	0,11	0,11	0,13	0,15
ALL	0,01	0,02	0,02	0,02
NO.	30	34	7	7

VI DISEASES OF THE NERVOUS SYSTEM

	W		A	
	M	F	M	F
0-1	0,52	0,18	0,50	0,41
1-4	0,05	0,05	0,02	0,07
5-24	0,03	0,01	0,05	0,04
25-44	0,03	0,01	0,04	0,05
45-64	0,07	0,07	0,21	0,11
65+	0,18	0,13	0,00	0,15
ALL	0,06	0,04	0,07	0,06
NO.	128	85	26	23

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,33	1,10	0,21	1,80	1,59	0,13	0,10
1-4	0,05	0,06	0,02	0,10	0,15	0,17	0,02	0,04
5-24	0,07	0,06	0,09	0,10	0,14	0,17	0,11	0,13
25-44	1,09	0,44	1,31	0,70	1,54	1,27	0,73	0,78
45-64	9,75	4,44	14,76	10,70	10,33	8,25	4,61	5,01
65	42,19	32,93	55,30	47,72	43,12	40,90	13,55	14,21
ALL	4,70	3,81	3,22	2,25	2,74	2,69	1,14	1,20
NO.	9752	7926	1135	804	3114	3140	2390	1921

VIII DISEASES OF THE RESPIRATORY SYSTEM

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	2,90	2,22	7,81	4,85	32,20	28,78	13,54	14,15
1-4	0,22	0,28	0,90	0,69	5,32	5,45	2,46	2,13
5-24	0,05	0,06	0,17	0,11	0,21	0,23	0,18	0,16
25-44	0,20	0,12	0,37	0,33	0,94	0,72	0,66	0,52
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	1,72
65+	11,52	7,89	16,51	13,42	20,07	10,49	9,32	6,19
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24
NO.	2336	2019	430	282	3270	2588	2858	1951



WEDNESDAY DECEMBER 3 1979

## FINANCE

# Ackerman warns *Angus 3/12/79* on minimum wages

335  
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DEMANDS for unrealistic minimum wages were forcing many companies to cut the number of their employees, Mr Raymond Ackerman, chairman of Pick 'n Pay, said at the weekend.

'This country needs to employ more people not fewer,' he told the Institute of Credit Management's annual dinner in Cape Town.

'We must be wary of dismissing people by setting unrealistic minimum wages.

'It is better to employ an unskilled worker at a lower wage rather than tell him: "Sorry, we cannot employ you because our

minimum wage must be R60 a week".

Unskilled workers were being paid off by the thousand because far away, sitting in their comfortable homes, British, American and Swedish people were setting minimum wages for companies in this country.

'I do not believe in starvation wages but we must sort out what is right for our country.'

Mr Ackerman said of his own company: 'We don't need an EEC code or a Sullivan code to tell us to get rid of discrimination.

### MERIT

'There is no law except the Group Areas Act to stop us promoting anyone on merit.

'We are promoting left, right and centre regardless of colour and we are not the only company doing so. It is astonishing to see the improvement where people are treated with human dignity.'

Mortality rates greater than 5/1 000 appear in italics in Table I. For these major causes of mortality, the Asian and 'coloured' mortality

earned R100 less. The managing director's secretary can expect to earn R750 upwards.

Hubbard points out, however, that top executives in SA still receive fairly conservative remuneration packages compared with their overseas counterparts, and that advancement is severely retarded by high taxation.

Adele Strauss, Fempower consultant, doesn't agree with her male counterparts. "Salaries are appallingly low for women," she maintains, and "while they have increased recently, they still have not risen above the cost of living."

She argues that while a male matriculant might expect between R400 to R500 a month, a female with the same standard of education could expect only to be placed in the R250 to R300 bracket.

"Employers still think that men are better than women and it is unlikely that the position will change in the near future," says a spokesman for Career Girl Personnel. "However, it's hard to generalise," she concedes, "and it really depends on the attitude of the company."

by using the major For example, the circulatory within this vary markedly. Whilst in the white and cause of circulatory is examined or cause of mortality is examined in the white and 'coloureds' is hom-

ity in whites, the white community. For Africa.

## SALARIES Bouncing back

Salaries are rising fast, claims a firm of Johannesburg personnel consultants, Colin Katz Associates. "We expect this trend to continue and, if anything, pick up," says MD Colin Katz.

Demand is particularly strong, says Katz, for qualified people, especially young CAs and engineering draughtsmen. "We are finding it difficult to meet employers' demands and we expect the position to get worse."

Consultant Alistair Hubbard confirms that "the chase is on, especially for young newly-qualified chartered accountants." The current shortage of skilled labour is expected to worsen as the economic upswing gains momentum.

"Two years ago, people phoned me about positions overseas," says Katz, "but now that trend has stopped." Employees are now in a stronger bargaining position and companies that want qualified people will have to pay more, says Katz.

"People are feeling more secure now," he adds, "and they feel they can demand more." According to Katz, an engineering draughtsman with only a few years' experience can now command a salary of about R1 200 a month, whereas a year ago he was earning R900.

A matriculant who has completed his national service can now expect between R450 and R500. A year ago, he would have

presentation of the cause specific mortality data as proportions conceals a certain amount of information. Table I detailed analysis of these data in the form of cause mortality rates for defined age groups by sex, in the white, Asian communities.

The expectation 'coloureds' is an expectation large measure of life for whites. However, life for the 'coloureds' ratios are 1:1 of 45 these a The 'coloured' males and females infant mortality rate in Asian females have the worst expectation of life at communities, which is in marked distinction from both males and females at 0 and males at 0.45. The fact that for the 65+ age group, Asian women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig. 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig. 5. The whites show a typical 'developed' country spectrum of mortality with Infectious and Parasitic Diseases being of minor importance (2,0%) and Neoplasms (15,6%) and Diseases of the Circulatory system (50,5%) being of major importance. For urban Africans and 'coloureds', Infectious and Parasitic Diseases make an important contribution to the overall mortality (19,5% and 23,5% respectively), with diseases of the respiratory system and certain causes of perinatal mortality also being of importance. Within the category of Infectious and Parasitic Diseases, diarrhoeal diseases and tuberculosis are the most important causes of mortality. The 'coloureds' experience an interesting combination of 'developed' and 'underdeveloped' mortality with a high death rate from enteritis and diarrhoeal diseases in the young and circulatory diseases in later life. What is also of interest is the relatively large number of symptoms and ill-defined conditions, particularly in the African community (22,5%). This provides some indication of the provision and utilisation of medical services to Africans in the urban areas. In general, the Asians have a spectrum of mortality intermediate between the one hand and the 'coloureds' and Africans, on the other.

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ty rates (Table I) are compared with the proportional mortality of the Circulatory Diseases in the 'coloured' community. In the white community, the mortality rates for most causes of death are so low, the importance of the Circulatory diseases become disproportionately exaggerated.

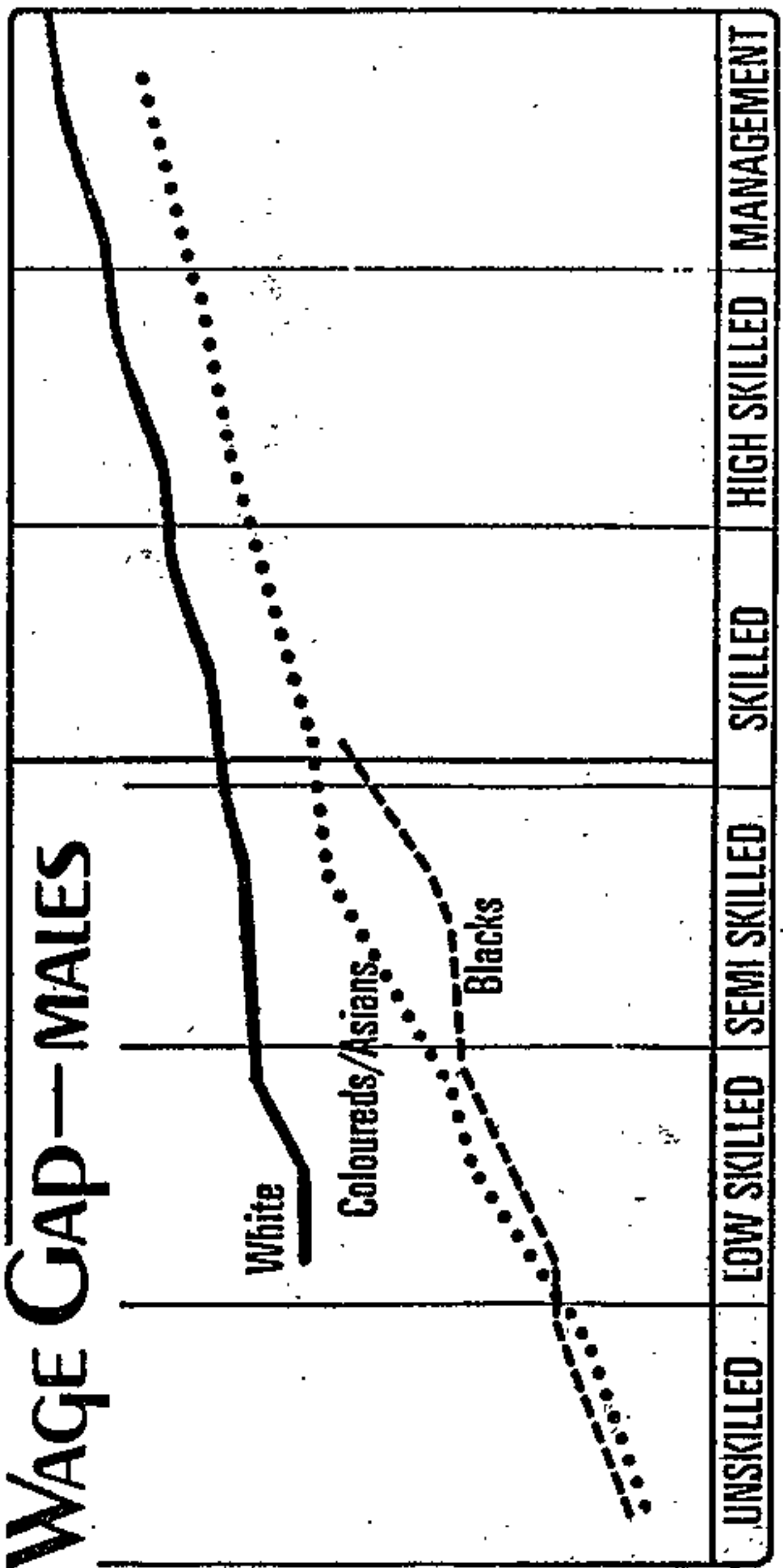


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Star 19/12/79

# Racial parity in pay in 11 years — survey

WAGE GAP — MALES



The racial wage gap at a glance — three different wage curves for different race groups. At the skilled level, the vertical line shows the point where blacks are getting 62 percent of the pay of their white counterparts. Coloured and Indian workers of the same skill are getting 76 percent of white pay. At lower levels of skill the wage gap is even wider. The pay curve for blacks stops short of the higher skilled levels because there are too few blacks at these levels.

**Labour Reporter**  
It will take about 11 years to bridge the racial wage gap at the rate of pay increases currently being planned by leading South African companies.

Skilled blacks in these firms are getting only 62 percent of the pay of their white counterparts.  
And skilled coloured and Indian workers are getting 76 percent of the pay for whites at the same level of skill.  
At lower skill levels the gap is greater.

These facts emerge from the first salary survey ever conducted in South Africa among companies applying the Paterson Plan system of job evaluation.

Companies using a system of job evaluation usually are more concerned about the wage gap than those who don't.

Nearly 50 such companies, mainly in manufacturing, were involved in the survey conducted by FSA (formerly Fine Spamer Associates), the human resources consultants.

"Part of the wage gap may be attributable to lack of experience and lower performance among blacks who have entered skilled jobs only recently," said Mr Olof van Schaalkwyk, a director of FSA.

"But the major portion of the gap must be attributed to the discriminatory practices of the past."

He stressed that he had yet to meet a company executive who was not determined to close the wage gap. Blacks had received higher percentage increases than whites for many years, he said.

He estimated the

average black pay increases (white equivalents in brackets) to have been 14 percent (10.5 percent) in 1979, 14 percent (8 percent) in 1978, 11 percent (8 percent) in 1977, and 15 percent (8 percent) in 1976.

Mr Vin McGrory, the consultant responsible for the Paterson Plan survey, said many companies were considering pay increases of 15 percent for blacks next year, compared with 10 to 11 percent for whites.

"At this rate it will take about 11 years to complete the exercise (of closing the wage gap)," Mr McGrory said.

"Even with annual increases of 20 percent it would take at least five years."

A company with only 200 blacks would need more than R250,000 to close the gap in one year.

**CARLIC.** A "clove" is a small section of the bulb, is used crushed between foil, and rubbed round a salad bowl, to give the salad a tang. Juice used to flavour stews and sauces and with seafood. Mixed with butter for savoury bread.

**ALLSPICE.** Not to be confused with Mixed spice, which is a mixture of spice and mostly used in cakes, biscuits, etc. Allspice is so named because it resembled the aroma of mixed spice. It is used ground in preserves, meat dishes and seasonings.

**PEPPER CORNS.** Used in pickles, and for boiling in brawns, tongue, salt beef and pork.

**BOUQUET GARNI.** This is a "Faggot of Savoury Herbs", or a bunch of herbs tied together. Usually parsley, bay leaf, and thyme are used, removed before serving.

That skilfully chosen wine turns a meal into a banquet. Taken regularly in moderation, as it should be, wine is everywhere considered a most pleasurable aid to health. It brings good digestion, good humour, and an air of gracious living.

Learn to choose wines well, so that they blend with each occasion, every course. Learn to add the zest of wine to your cooking. It tickles up the delicate flavour of almost any dish.

For storing wines, use a cupboard in a quiet, cool corner of the house, or under the stairs. Corked bottles must lie flat so that the cork remains moist; screw capped bottles may stand upright. Place the sparkling wines in the lowest, coolest racks, then the white, then the red, and finally the dessert wines at the top.

Cool down white wines in the refrigerator but do not over chill them. This would ruin their delicate flavour and bouquet. About an hour in the refrigerator is enough. And the same treat-

# 11 years needed to bridge wage gap

Argus Correspondent

JOHANNESBURG. — It will take about 11 years to bridge the race wage gap at the rate of increase being planned by leading companies.

Skilled black workers in these firms receive 62 percent of the pay of their white counterparts.

And skilled coloured and Indian workers receive 76 percent of the pay for whites at the same level of skill.

These facts emerge from the first salary survey conducted in South Africa among companies applying the Paterson Plan system of job evaluation.

## A SYSTEM

Companies using a system of job evaluation are usually more concerned about the wage gap than those who do not.

Part of the wage gap may be attributable to lack of experience and lower performance among blacks who have entered skilled jobs only recently, said Mr Olof van Schalkwyk, a director of FSA.

But the major portion of the gap must be attributed to the discriminatory practices of the past.

## DETERMINATION

He emphasised that he had yet to meet a company executive who was not determined to close the wage gap.

Blacks had received higher percentage increases than whites for many years.

He estimated the average black pay increase — white equivalents in brackets — at 14 percent (10.5 percent) in 1979; 14 percent (8 percent) in 1978; 11 percent (8 percent) in 1977; and 15 percent (8 percent) in 1976.

all that weather, so the weather is a big factor in wine for a refreshing outdoor drink. It's an age old custom in Europe. In really hot weather, try chilling sherry before serving it as an 'appetizer' muscatel.

To tenderise any meat — and add flavour — soak for an hour or two before cooking. Always warm before adding to hot food. Curry tends to kill any table wine; but a sweet muscatel wine can be sipped with it. Do not blunt your palate before meals by taking spirits.

Preserve left-over wine in a bottle with a thin film of fresh oil and use for cooking.

To remove ring stains left on polished wood by bottles and glasses, rub well with a damp cloth dipped in cigarette ash and oil. Then repolish.

Rinse glassware in warm water with a little ammonia added to it. This will make the glass sparkling bright.

Wine is Harmony. What melody there is for the Connoisseur in a glass of brilliant wine

André L. Simon.



# BIG JUMP IN WAGES FOR UNSKILLED

Argus 22/12/79

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By Tom Hood

**EARNINGS** of unskilled industrial workers — the backbone of the Cape's labour force — are rising sharply. Starting wages of R50 and more a week are now being paid by a small but increasing number of firms.

This is disclosed by the Cape Employers' Association's latest half-yearly pay survey, made in November.

More than 48 percent of unskilled men are above the R40 wage bracket and more than 8 percent of them top R50 a week. Eighteen months ago 83 percent were paid at rates of R40 and below. Six months ago about 58 percent were earning R40 or less.

Women are being employed more and more to do jobs formerly done by unskilled men, says the report. Their average is R33,57 a week, up from R31,11 six months ago and from R27,84 in May 1978. Minimum women's rates in the clothing industry are R23,20 a week.

Semi-skilled factory workers are also moving higher up the ladder, but not so rapidly.

Forty-five percent of male factory operatives now receive more than R60 against only 19 percent three years ago.

Almost 63 percent are above the R50 wage bracket today against 29 percent three years ago.



MR Frank Lighton, director of the Cape Employers' Association.

Average pay of qualified women operatives is now R45,44 a week, against R40,20 six months ago and R39,65 a year ago.

## PRICE SHOCK

Mr Frank Lighton, director of the Cape Employers' Association, said whenever there was a new 'price shock,' as when increased bus fares were an-

nounced, concerned employers asked what could be done to offset the increase.

'Our view — supported we believe by the vast majority of employers — is that a six-monthly or at least an annual review should be undertaken so that where economically possible compensation can be given for cost of living increases during the period since wage levels were last raised.'

The report says substantial progress is being made to narrow the gap between white and coloured earnings, taking clerical staff as the yardstick.

## TREND-SETTERS

Trend-setters — firms paying rates well above general levels — have in many cases no discriminatory wage scales for race and in some instance also in respect of sex.

Another group of firms who keep rates under frequent review to stay abreast of current market rates have also narrowed the gap.

Those observing industrial council or Wage Board rates can also claim to have abolished discrimination as industrial legislation cannot differentiate on race, says the report.

## TRAINING GAP

'Until the education gap and training gap have been removed, however, differences in white and coloured earnings will remain and while the CEA is satisfied that this is not a matter of discrimination by employers — it is a disappearing legacy from the years before compulsory education was introduced — the stage has not been reached at which we can eliminate race from our surveys.'

Senior clerks' salaries for white men average R568 and range between R375 and R800. Salaries for coloured men average R430 with a range of R300 to R553.

A similar job for a white woman averages R441 (range R310—R715) and for a coloured woman R346 (range R245—R425).

355

WAGES

1-1-80 - 31-12-80



10/1/80

355

Y 10, 1980

# Pay rise likely for millions

CAPE TOWN — Pay negotiations likely to increase the living standards and improve work conditions for millions of South Africans are about to get underway in an unrivalled climate of optimism between organised labour and the business community.

The prevailing financial boom, say labour leaders, also provides a golden opportunity for smooth implementation of the new labour dispensation flowing from the government's acceptance of the apartheid-demolishing recommendations of the Wiehahn and Riekert commissions at a time when black worker aspirations have never been higher.

A spokesman for the Chamber of Mines said wage policy was linked to productivity as opposed to the soaring gold price. "But if prices continue at the current level we will obviously be in a position to pay more equitable wages," he added.

It was also likely that the wage gap between black and white workers could be narrowed further, and conditions of employment would be upgraded, while the possible opening of new mines would create new job opportunities.

"The broad consequences are that we should be able to offer workers a better deal," said the spokesman.

About 400 000 workers are employed in the gold mines, and the labour force on all mines in the Republic totals about 1 000 000.

The spokesman said new pay negotiations would begin in March. They could be expected to be concluded by June. Normal procedure was to establish agreement with the white miners and then set black mineworkers pay.

It was possible this would not be altered by the establishment of black unions in terms of the Wiehahn recommendations this year, but the position would be watched carefully, and it was expected that the Commission would release proposals specifically geared to the mining industry this parliamentary session.

Confirming high expectations of organised labour, the president of the 250 000 member Trade Union Congress of South Africa (Tucsa), Mr Andre Malherbe, said he believed improved conditions in the workplace had only begun.

"The general feeling is that employment oppor-

tunities should certainly increase, unemployment will drop, and I think we are entitled to some tax relief, particularly concerning petrol," he said.

Mr Malherbe believed the improved economic environment would allay fears materialising out of the Wiehahn and Riekert recommendations. "In an unemployment situation people tend to look over their shoulders rather than ahead as is happening now. I sincerely hope I'm right in believing that recent government concessions on labour are only the start, and we'll see more in the coming session of parliament."

Meanwhile, economists are confident that higher salaries for public service employees, effective from April, coupled with improved pay in the private sector and anticipated tax concessions in the national budget will provide a boom-sustaining rise in consumer demand.

This in turn can be expected to boost investment in new production capacity as manufacturers adapt to the need to build up inventories in a process capable of creating vast new employment opportunities and an improved rate of growth in the economy. — DDC.

NO.	ALT.	1,12	0,97	1,22	0,79	2,87	2,22	1,37	1,24
2336	2019	430	282	3270	2588	2858	1951		

NO.	ALT.	65+	0,18	0,13	0,06	0,04
128	85					

		A		C		B	
		M	F	M	F	M	F
		0,50	0,41	2,02	1,56	1,26	1,20
		0,02	0,07	0,45	0,26	0,23	0,18
		0,05	0,04	0,09	0,06	0,09	0,07
		0,04	0,05	0,23	0,09	0,13	0,06
		0,21	0,11	0,36	0,13	0,26	0,07
		0,00	0,15	0,47	0,18	0,44	0,15
		0,07	0,06	0,25	0,14	0,17	0,12
		26	23	289	164	366	187

OF THE NERVOUS SYSTEM AND SENSE ORGANS

		A		C		B	
		M	F	M	F	M	F
		0,20	0,21	0,06	0,16	0,06	0,06
		0,02	0,00	0,02	0,04	0,01	0,01
		0,01	0,01	0,01	0,01	0,01	0,01
		0,01	0,02	0,00	0,01	0,01	0,01
		0,03	0,03	0,06	0,04	0,01	0,03
		0,13	0,15	0,13	0,15	0,03	0,03
		0,02	0,02	0,02	0,03	0,01	0,01
		7	7	21	31	23	21

# Pay hopes for 1980

355

Own Correspondent

The 40 000-strong Public Servants Association is expecting pay rises for all its members in April.

"We have made no real salary demands, but have told the Public Service Commission that our members need compensation for the increased cost of living at least," said the president of the association, Dr C M Cameron, in Pretoria today.

"Salaries of public servants must also achieve parity with salaries in the private sector. We believe it important for South Africa to have a good

public service and it must be in a position to attract and keep competent personnel," he said.

Dr Cameron said the association did not want confrontation with the Government over pay demands and was confident its members would be looked after in April.

He was also confident that no public servant "working to satisfaction at present" need have any fears about the Government's proposals to rationalise the public service and reduce the number of departments.



# FINANCE

## MORE FIND WORK IN SA INDUSTRY

Financial Editor

THE number of people employed in mining, manufacturing and construction rose by about 61 000 in the 12 months ended October to 2 473 000, figures issued by the Department of Statistics show.

The figures also show that the monthly wage bill of these three sectors rose in the 12 months period by about R131,6-million to R751,1-million.

The mining industry was employing 693 200 at the end of October, the department reports. This was 17 600 more than a year ago. This industry's wage bill for October was R162,1-million, which compares with R135,4-million in October 1978.

### CONSTRUCTION

The number of people employed in construction in October was 412 200, an increase of 19 400 on the year ago figure. In October the construction industry paid out R109-million in wages and salaries — R17-million more than a year ago.

The manufacturing sector was employing 1 367 700 at the end of October. This was 3 800 more than at the end of September and about 24 600 more than a year ago. This industry's wage bill in October was R479,8-million which was about R88-million more than a year ago.

rate this year and to accumulate a balance of payments surplus of R3 000-million, reports Sapa-Reuter.

In contrast with forecasts in some other industrialised countries, South Africa did not expect an economic recession nor a drop in its economic growth rate, said Dr van der Merwe.

	0-1	1-4	5-24	25-44	45-65	65+	ALL	NO.
0,01	0,04	0,41	1,31	1,91	0,33	370	21	

There was a substantial expansion in economic activity in the 12 months to October. This trend is expected to continue.

### GROWTH RATE

Speaking to a meeting of businessmen in Geneva at the weekend, Dr Schalk van der Merwe, Minister of Industry, said South Africa was expecting a 5 percent economic growth

	1-4	5-24	25-44	45-64	65+	ALL	NO.

	M	F	M	F	M	F	M	F	M	F
0-1	12,46	9,07	16,92	11,55	29,22	24,78	23,16	22,23	0,04	0,00
1-4	0,02	0,02	0,02	0,02	0,02	0,04	-	-	-	-
5-24	-	-	-	-	-	-	-	-	-	-
25-44	-	-	-	-	-	-	-	-	-	-
45-65	-	-	-	-	-	-	-	-	-	-
65+	-	-	-	-	-	-	-	-	-	-
ALL	0,25	0,17	0,48	0,32	0,83	0,67	0,55	0,67	1143	1075
NO.	519	359	170	113	942	785				

	M	F	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,00	0,10	0,25	0,10	0,04	0,06	0,04	0,04
1-4	0,01	0,01	0,02	0,00	0,12	0,14	0,02	0,04	0,02	0,04
5-24	0,02	0,01	0,04	0,04	0,02	0,04	0,03	0,02	0,06	0,08
25-44	0,02	0,05	0,06	0,09	0,17	0,13	0,06	0,08	0,34	0,25
45-64	0,23	0,19	0,44	0,37	0,36	0,36	0,73	0,56	0,10	0,08
65+	1,25	1,09	1,07	1,83	1,57	1,10	0,15	0,14	0,10	0,08
ALL	0,13	0,15	0,11	0,12	0,15	0,14	0,10	0,08	203	130
NO.	276	303	38	42	169	165				

DISEASES OF THE GENITO-URINARY SYSTEM

X

# High-powered degree of the self-employed

By BRUCE STEPHENSON

IF YOU are a white, self-employed university graduate and you are running your business successfully, then you are likely to be earning nearly double the average gross salary of any South African in the private or public sector.

This emerges from surveys conducted by the Human Sciences Research Council on wage structures of men and women graduates, white, black, coloured and Asian, throughout South Africa and South West Africa in 1979.

The average gross annual earning of the self-employed white graduate was R20 980, considerably higher than the R11 890 of the graduate in Government employment and the average R14 110 earned by a graduate employed in the private sector.

Among the researchers' find-

ings are:

- Single white women have a higher average salary than married women with the same amount of experience.

- Blacks, coloureds and Asians employed by the Government earn considerably more than those employed in the private sector — for example, an average of R9 160 against R7 340 for men, and R7 190 as against R4 750 for women in the Asian community.

- In the black community, the lowest earners are ministers of religion, who average R2 690 gross a year. At the other end of the scale, white company managing directors average R28 960 a year, pathologists a healthy R36 500 and patent agents a cool R50 170.

- Johannesburg still pays best, except if you are a white male teacher. For example, Government-employed white men

teachers in the 35-42 age group earned most in the Orange Free State outside Bloemfontein — R11 180 a year. The same job in Johannesburg paid R10 670.

- Sex and race play a big part in earnings. Again in the teaching sphere, it emerges that white men averaged R10 480, white women R6 230, Asian men R8 860, Asian women R6 580, black men R7 020, black women R3 750, coloured men R9 100, and coloured women R5 750.

The average white policeman's salary was R7 600. Black magistrates averaged R5 000.

- Later this week, the Rand Daily Mail will publish details of the three wide-ranging surveys released by the Human Sciences Research Council this week. You will discover where you stand on the graduate earnings ladder.



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# Pay demands by unions could hit 25 percent

By Sieg Hannig  
Labour Reporter

Pay increases are set for a take-off this year as trade unionists prepare demands of up to 25 percent and employers fear losses of skilled workers amid increasing competition.

Most artisan unions seem bent on recouping past losses to inflation.

This would mean pay demands exceeding the rise in the cost of living, which soared more than 14 percent in November.

A 25 percent pay rise is the target of Mr Wessel Bornman, a leading metal unionist and secretary of the white Confederation of Labour.

## "REASONABLE"

He describes such an increase as reasonable in the light of earnings which he estimates to have lost 23 percent of their purchasing power since 1975.

Civil servants have no hope of making up for losses, which some estimate as high as 40 percent of purchasing power since the early 1970s.

But several Railway unions have demanded increases of 15 percent in meetings with the Minister of Transport.

Colonial Mutual Life  
financial assistance.

The president of the Confederation of Labour, Mr Attie Nieuwendt, rejected a report of a prospective eight percent pay increase as "totally unacceptable."

Expectations of stiff competition for skilled labour have increased the pay budgets of employers.

Barclays Business Brief speaks of salary and wage increases of 10 to 12 percent for 1980.

Mr Jon Cole, manager of salary surveys for the PE Consulting Group, says pay increases of 11 to 12 percent are being planned for general staff this year.

Executive salaries are expected to go up by 13 percent, with many going as high as 15 percent.

And workers other than white seem to be heading for increases of 15 to 17 percent.

Mr Cole says employers are much more productivity-oriented and likely to place heavy emphasis on merit increases.

He bases his predictions on opinions obtained from a selection of participants of salary surveys obtained in November and December.

But he says unexpected factors could change the outlook within a few months.

es and Diseases of the Circulatory  
stand to gain most from measures  
ected diseases included in Fig.6.  
ious and Parasitic Diseases,  
to the implementation of relatively

diseases included in Fig. 6 are re-  
expectation of life will be 50%

with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the mortality associated with

14. Department of Health (1978). A Guide to the Health Act, No. 63 of 1977, p.17. Department of Health, Pretoria.
15. Department of Health (1978). Infant Mortality Rates in South Africa. Epidemiological Comments Dec. 1978, 1-21.

# Wage gap closing, says bank survey

By Sieg Hannig  
Labour Reporter  
The average real salaries  
and wages of black South  
Africans rose by 23,3

percent from 1974 to 1978,  
while those of whites  
dropped by 6,2 percent,  
Volkskas reports in its  
latest Economic Spotlight.  
But blacks are paying

for their higher increa-  
ses by way of higher  
unemployment.

While white em-  
ployment kept pace with  
population growth, black  
employment increased by  
only 0,8 percent over the  
four years and actually  
dropped in 1977 and 1978,  
causing a sharp rise in  
unemployment.

"Hopefully, the conse-  
quences of a too-rapid  
narrowing of the so-called  
wage gap over the past  
few years have by now  
been realised by every-  
one," the bank says.

Its figures show that  
blacks have been getting  
better percentage  
increases than all other  
races for a long time.

From 1970 to 1974,  
black pay increases, after  
allowing for inflation,  
amounted to 28,8 percent  
while whites got real  
increases of 6,4 percent,  
coloured people 14,9  
percent and Indians 19,7  
percent.

In the 1974-78 period,  
white pay increases ex-  
ceeded the rate of infla-  
tion in only four out of  
16 employment sectors.

## Bonanza ahead for building workers

Labour Reporter  
The wages of building  
workers this year will  
increase at about three  
times the rate of last  
year, the Bureau for Eco-  
nomic Research of Stellen-  
bosch University has fore-  
cast.

The bureau's latest  
building survey expects  
wages for skilled labour  
to rise by 17 percent this  
year, compared with the  
5,4 percent rate of  
increase recorded in Au-  
gust.

Its forecast for the rise  
in the wages of unskilled  
labour is 20 percent, com-  
pared with 7 percent last  
August.

The bureau names the  
emerging shortage of

labour as one of the prob-  
lems facing builders now  
that large numbers of  
skilled workers have left  
the industry.

It holds out the possibi-  
lity of "wage increases  
considerably in excess  
of statutory wage levels  
or, indeed, the average of  
actual wages paid."

The relaxation of cer-  
tain stringent labour laws  
might allow contractors to  
stretch skilled labour by  
means of job fragmenta-  
tion.

The better employment  
of skilled labour for  
skilled work only might  
help the industry to cope  
with the sudden increase  
in demand, the bureau  
said.



## DISEASES OF THE DIGESTIVE SYSTEM

90

NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,17	0,08	0,10	0,21	0,78	0,29	0,49	0,48
1-4	0,01	0,01	0,00	0,00	0,07	0,10	0,05	0,05
5-24	0,02	0,01	0,03	0,01	0,04	0,03	0,05	0,05
25-44	0,11	0,09	0,39	0,10	0,41	0,19	0,23	0,22
45-64	0,92	0,42	1,60	0,72	1,31	0,67	0,80	0,68
65+	1,80	1,16	1,61	2,44	1,91	0,75	1,44	0,91
ALL	0,31	0,21	0,33	0,16	0,33	0,17	0,25	0,20
NO.	653	430	116	56	370	201	533	329

X

## DISEASES OF THE GENITO-URINARY SYSTEM

XIV

## CERTAIN CAUSES OF PERINATAL MORBIDITY AND MORTALITY

NO.	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	1,57	0,76	0,60	1,03	1,24	0,79	0,89	0,74
1-4	0,05	0,04	0,05	0,05	0,05	0,02	0,04	0,05
5-24	0,01	0,00	0,01	0,01	0,01	0,02	0,00	0,00
25-44	0,00	0,00	0,00	0,00	0,00	0,01	0,00	0,00
45-64	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00
65+	0,02	0,01	0,00	0,00	0,00	0,00	0,00	0,00
ALL	0,04	0,02	0,03	0,04	0,04	0,03	0,03	0,00
NO.	87	43	9	14	50	33	54	47

XIV

## CONGENITAL ANOMALIES

91

# Bosses warned against big pay rises

By DON MARSHALL  
Pretoria Bureau

EMPLOYERS were warned yesterday that excessive wage increases this year could undermine South Africa's economic recovery.

Prominent economists and businessmen said unemployment — there are more than a million blacks out of work — could only worsen if excessive pay increases caused inflation to "take off", and forced the Government to apply counter restrictions.

In Pretoria this week the secretary of the South African Confederation of Labour, Mr Wessels Bornman, set 25% as a target for pay rises. He said that since 1975, the purchasing power of wages had dropped 23%.

Other labour leaders said pressure was certain from trade unions for "real" increases which would not only compensate for lost spending power but raise it substantially.

The president of the Confederation of Labour, Mr Attie Nieuwoudt, said: "We believe the worker has made most of the sacrifices during the past five years in the fight against inflation. We believe further that employers are now in a position to grant increases which will halt the decline in living standards and help to raise them."

Whether this means a 5% or a 25% increase, it should be paid, he said.

Barclays Bank's chief economist, Dr Johan Cloete, said that if employers submitted to excessive wage claims, inflation would take off and run out of control.

"At all costs, a wage spiral must be avoided. An inflation rate which rises significantly above the current 14% level could persuade the authorities to impose monetary and fiscal restrictions."

Dr Cloete said when the expected tax concessions were taken into account — which would increase the disposable incomes of workers — increases above 13 or 14% would be difficult to justify.

The chief economist of the Bureau of Economic Research at the University of Stellenbosch, Dr O D J Stuart, said that if employers submitted to excessive wage demands, it could lead to even greater unemployment.

It could also sabotage South Africa's chances of full economic recovery and creating full employment.

The director of the Federated Chamber of Industries, Dr J C van Zyl, said it would certainly be unrealistic not to expect wage claims.

But no specific guidelines were given at the recent meeting of the Prime Minister's Economic Advisory Council on what could be considered "reasonable" claims.

In the absence of guidelines, Dr Van Zyl said, the current rate of inflation plus the

NO.

276

303

38

42

169

165

203

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U,13

U,15

U,11

U,14

U,10

U,08

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113

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1143

1075

NO.

519

359

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1143

1075

The currently accepted criteria for malnutrition consider 60% of the expected weight for age as a cut off point for severely malnourished children. Those between 60% and 80% (3rd percentile Boston standards) are underweight for age, whereas those below 60%, depending on their clinical condition, are either marasmic or marasmic-kwashiorkor.

Another method of obtaining a measurement of malnutrition is the Shakir strip which measures the mid-upper arm circumference.<sup>3</sup> Even though it is somewhat conservative, it can be easily used by unskilled staff and is a valuable screening procedure as it will identify those that are overtly malnourished.

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interdisciplinary nature of this conference that, although there was a unifying concern over the need to make a greater impact on health without a vast expansion in resources devoted to health care, a difference of approaches was apparent.

Administrators tended to be concerned with the question of how to provide the existing type of medical services more efficiently, at lower cost, using techniques of cost-analysis and public administration. A large portion of the doctors and health workers present considered what type of health care to provide and what reforms were required to the existing health system to promote this. Both consider essentially the choice of adequate techniques for health care delivery; the administrators concerned medical

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techniques by which  
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and Savage (Ch.6),

# Unions reject Horwood request

By STEVEN FRIEDMAN  
Labour Reporter

TRADE unionists have reacted strongly to a call by the Minister of Finance, Senator Horwood, to curb excessive wage increases.

Some fear that the Government is encouraging employers to clamp down on minor wage demands.

They claim that "once again the working man is being made the scapegoat for inflation".

Earlier this week, Senator Horwood said that "all action with inflationary consequences, including excessive wage and salary demands, should be avoided if the general public was to benefit from the rise in the gold price."

Unions yesterday rejected this call and said they would go ahead with plans to introduce substantial wage demands which they believe are necessary to maintain their members' living standards.

"We don't know what the Minister means by 'excessive', but we believe that a 25% wage increase would not be untoward," Mr Ben Nicholson, general secretary of the SA Electrical Workers' Association, said.

He said he was "bitterly disappointed" by Senator Horwood's statement which he said "is an attempt to preempt wage negotiations".

"If the government is really concerned about inflation, why doesn't it cut the petrol price? The oil price is dropping on the free market and fuel prices do more to increase inflation than wage demands."

Mr Richard Beech, general secretary of the Amalgamated

Union of Building Trades Workers, said: "We will ask for whatever we believe our members need to retain their buying power. Our members' living standards are constantly being eroded by inflation."

"The Government creates inflation, not the workers. Why should we be asked to bear the brunt of the Minister's talking from the viewpoint of inflation?"

He, too, argued that wage increases of up to 25% may be needed to enable his members to retain their living standards.

Mr Walter Grabler, secretary of the Artists' Staff Association, one of the biggest craft trade unions, said: "I agree that we shouldn't allow the inflation rate to rise, but our members feel badly done by. They feel there's a bomb going on, but that they aren't benefiting."

"You must remember that workers don't own Krugerrands and gold shares. They are not benefiting from the rising gold price," Mr Grabler said.

Commenting on the fact that the gold price is likely to result in further tax cuts, he said: "Cuts will obviously help our members, but they always benefit the higher income groups more."

Like other railway unions, the SRA is waiting for the Budget in March to discover whether the Government has agreed to their 15% pay claim.

Mr Grabler said the unions have heard nothing officially "but there's a rumour going around that we are going to get 5%." That won't even get the

give an overview of health problems in Southern Africa.

## 2.1 Health Problems in Southern Africa

Some indication has been given of the type and scale of ill health in Southern Africa. This section deals with the analysis of the causes of ill health given by some of the authors. The dynamics of the problem of ill health are clearly relevant to any attempt to plan for its solution.

When people converge on a subject from different angles, there is seldom a common understanding of where problems lie. It was a reflection of the

Both Kirsch and Savage agree that morbidity and mortality are primarily determined in third world countries (and this includes most of Southern Africa) by the level of food, housing, employment, clean water, sanitation and other non-medical factors, and not by the structure of health services. Poverty tends to be a common factor in all of these.<sup>4</sup> Kirsch shows that, as in most third world countries, health service structures in Southern Africa are not adapted to this state of affairs. He traces three resulting problems:



Just what does a degree mean to your bank manager?

In terms of earning power, the answer to that question depends very largely on the sector of the economy to which those years at university are applied.

Across the colour spectrum, it still pays you best to shed the shackles of employment and set up business for yourself.

For the self-employed are almost without exception, better rewarded for their efforts than those who pick up monthly cheques either in the private or public sector of the economy.

If you are a self-employed patent agent, you will have little difficulty arranging overdraft facilities.

For, on average, you can expect to earn more than R50 000 a year — R10 000 above that if you are in the top 25 per cent of your profession.

At the bottom of the pile are the black ministers of religion, who have to scrape by on slightly less than R3 000 for a full year's preaching.

The facts are there in black and white at last.

They have emerged from intensive research conducted by the Human Sciences Research Council's Institute for Manpower Research of the earnings of 54 390 economically active graduates — white, black, Asian and Coloured, male and female — last year.

If in 1979 you were a self-employed university graduate and ran your business correctly, then you earned nearly double the average gross salary of any other South African graduate in the public or private sector, irrespective of your colour or sex.

The average wage of the self-employed white man was R20 980, considerably higher than the average wage of R11 890 of employees in the government sector or R14 110 of employees in the private sector.

The researchers found that there was a relatively

# Will a degree

small difference between the earnings of white women in the public (R6 740) and private (R6 870) sectors. In comparison with this however, the average wage for self-employed women was high at R14 170.

Conversely, blacks, Asians and Coloureds earned more in the public sector in general than in the private sector,

although the average wage for the self-employed was as proportionately high as in the white group.

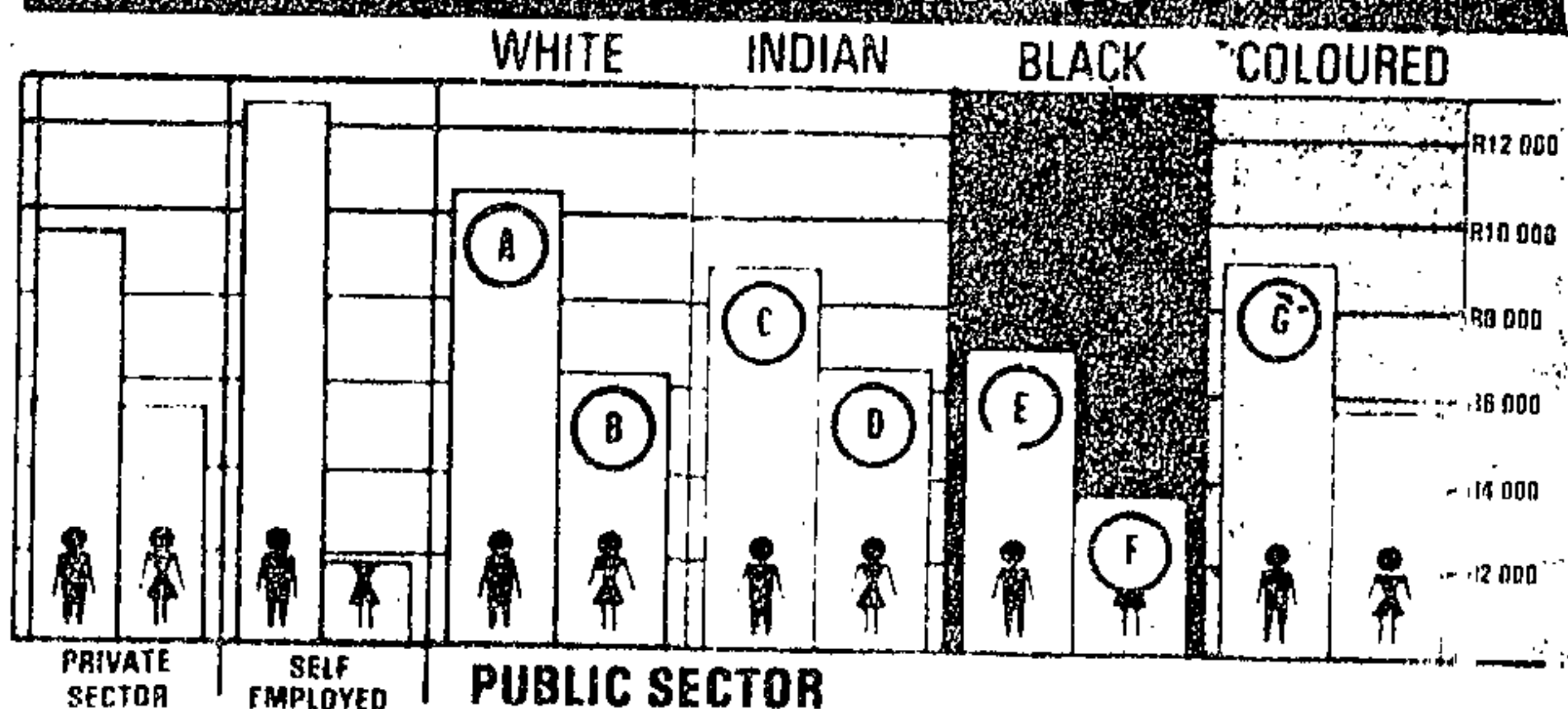
Coloured and black teachers have had the highest growth of income in the five years 1975-79 and in the Asian community article law clerks and teachers benefited most.

For the period 1973-79,

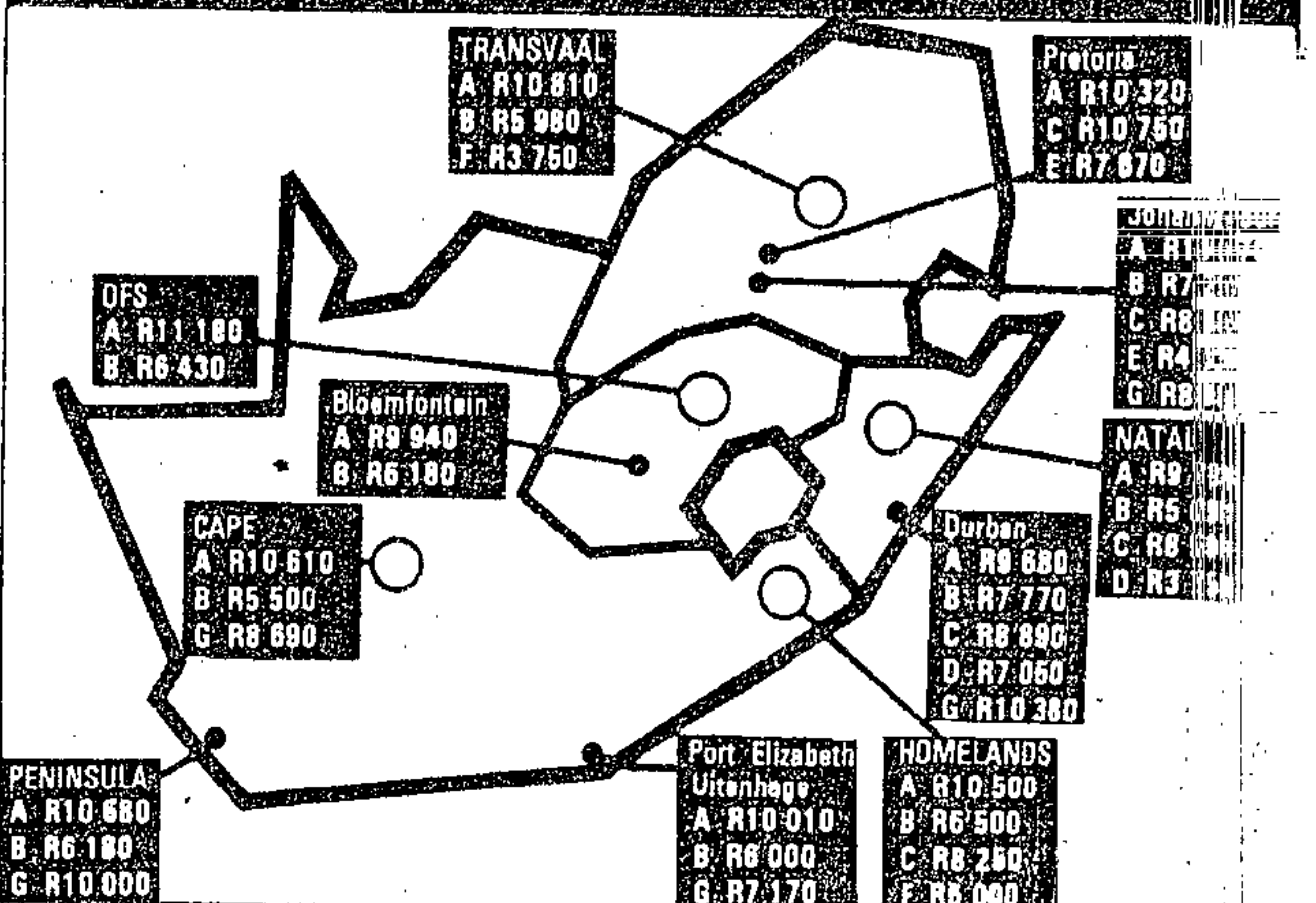
wages for white males in the private sector increased annually by 10 per cent as compared with about 7 per cent in the public sector. The existing wage gap is therefore increasing.

The difference in salaries between various professions is often startling. White male journalists averaged R9 500 in the public sector and R11 440 in the private sec-

## TEACHERS' GROSS EARNINGS IN 1979



## WAGES RE GEOGRAPHICAL PLACEMENT





# mean big pay?

**BRUCE STEPHENSON** examines a recent survey of the earnings of graduates and concludes that to be young, gifted and degreed, in many cases, is not enough.

tor. Actors, musicians, TV and radio announcers averaged R5 500 and R7 750 in the public and private sectors respectively. On the other hand, while a self-employed doctor grossed R24 010, a nuclear physicist made R16 130 — about the same as a State-employed psychiatrist.

At the top of the list are managing directors of companies at R28 960, self-employed patent agents at R50 170 and self-employed pathologists at R36 500.

While the top wages are to be found in Johannesburg, where the average wage is R15 840 in the private sector, the self-employed in Bloemfontein were laughing all the way to the bank with R25 110. The average salary for the white male graduate was R11 890 in the public sector, R14 110 in the private sector and R20 980 for the self-employed.

Your friendly airline hostess grossed R4 170, while a female religious minister reaped R10 250. Nurses averaged R4 580 — slightly more than a national serviceman's R4 350.

White police salaries averaged R7 600 and prison service personnel around R8 390. While Asian architects grossed R8 380, black magistrates averaged R5 000, and black ministers of religion R2 750.

But the average salaries can be deceptive. It also depends where you work.

The teaching profession is the easiest to follow with a line drawn through all races and sexes, as they form the bulk of the respondent group.

The 40-year-old white male teacher, researchers discovered, earned an average salary of R10 530 in the public sector. However 25 per cent earned less than R8 770 and 25 per cent more than R12 520.

The average salary dropped to R9 620 in the private sector, where 25 per cent earned less than R7 730 and 25 per cent more than R11 630. Again it was the self-employed who skimmed the cream with an average R12 500 a year.

The average male teacher earned R5 540 in the 20-24 age group, rising steadily to R12 400 in the 45-49 age group. His earnings are then likely to remain more or less constant until retirement.

Earnings also varied as much as R500 a year depending on where you were in the country.

The highest average salary in the 35-42 age group was in the Orange Free State outside of Bloemfontein. There the average was R11 180 and in other areas was:

- Witwatersand-Vereeniging R10 930, the rest of Transvaal R10 810;
- Cape Peninsula R10 680, rest of the Cape R10 610;
- Johannesburg R10 670, Pretoria R10 320;
- Homelands, including Transkei R10 500;
- Port Elizabeth-Uitenhage R10 010;
- South West Africa R9 950;
- Bloemfontein R9 940;
- Rest of Natal R9 780 and Durban R9 680.

The Government teacher has had an annual

increase of 8.8 per cent in the years 1973-79 and the private school teacher a 9.5 per cent increase over the same period.

The survey also proves what women's libbers have been saying for years, that women get less than their male counterparts for the same job. It also shows that single women have a higher average with the same number of years of job experience.

"The reason for this perhaps lies in the continuity of years of job experience. The careers of married women are interrupted and all the years of job experience are perhaps not applicable to the occupations practised by the women at present," the researchers say.

The average salary of a white female teacher in 1979 was R6 230 in the public sector and R5 420 in the private sector.

Married teachers and headmistresses started off with R4 790 — more than their single counterparts who earned R4 770 — but almost immediately are overtaken when, with one year's experience, their earnings increased to R5 120 and those of their unmarried counterparts increased to R5 170.

After 30-34 years experience married teachers averaged R9 130 and single teachers R9 380.

Salaries varied a great deal from province to province. Women teachers in the public sector earned highest in Johannesburg at R7 290, followed by Durban at R7 270, Bloemfontein at R6 750, Natal outside of Durban at R6 690, homelands at R6 500 and the rest of the OFS at R6 430.

South West Africans earned least at R5 480. The highest salaries paid to women in the private sector were in Natal out-

side of Durban where the average was R7 500. The lowest were in the Port Elizabeth-Uitenhage district at R3 380.

In the black, Asian and Coloured communities teaching is the most popular profession among graduates. This is confined to the public sector.

In this section, the Coloured man averaged most at R9 100. He earned R11 380 in Durban, R10 000 in the Cape Peninsula and R8 690 in the rest of the Cape Province, R8 080 in Johannesburg and R7 170 in Port Elizabeth-Uitenhage.

His salary has increased 9.9 per cent a year since the survey started in 1975. The Coloured woman teacher averaged R5 750.

The next highest earner was the Indian male teacher, averaging out at R8 860. Salaries in Pretoria for the 39-year-old averaged R10 750 — R430 higher than white Pretorians — Durban R8 890, Johannesburg R8 880 and the homelands R8 250. The Indian woman averaged R6 580.

The black male graduate teacher averaged R7 020 in the public sector and R7 540 in the private sector. He started at R3 740 at 25-29 years old, peaked at R8 000 at 35-39 and then levelled out at R7 500 all the way to retirement.

A 46-year-old averaged R7 670 in Pretoria, about R7 250 over the rest of the country and, surprisingly, lowest in Johannesburg at R4 330.

The black woman in the Transvaal earned the national average of R3 750 and R5 000 in the homelands. Salaries have improved by 14.9 per cent a year since 1975.

The survey took place on March 1, 1979, therefore the increases of between 5 per cent and 10 per cent in the public sector have not been taken into account. Increases in the private sector after March 1 were not known. Additional earnings from cash bonuses, part-time lecturing and consultation fees have not been included in this article.



# The wages drag as inflation goes surging on

By HAROLD FRIDJHON

IN MOST sectors of the economy wages have failed to keep pace with inflation during the period 1974-1978, according to the Volkskas Economic Spotlight for January which examines the manpower position in South Africa.

During this period the inflation rate ran to 56% but, as the following figures, show in some sectors - notably in the central government service - wages lagged. Increases in the various sectors during the five-year period were:

Mining 49%; Manufacturing 56%; Electricity 40%; Construction 65%; Retail trade 42%; Motor trade 59%; Hotels 50%; SA Railways 36%; Post Office 39%; Banks 60%; Building societies 33%; Insurance 65%; Government 20%; Provinces 32%; Local govt 51%; Universities 42%.

These trends, says the Volkskas Spotlight, show that the average salaries in the central government lagged considerably behind the rate of inflation even if it is accepted that the figure is an underestimate because, possibly, greater numbers of women and youths employed have forced the average down.

According to these figures, in only four of the sectors shown, do the average salary and wage increases exceed the inflation rate.

Says Volkskas:

"This sacrifice is inevitable and must continue to be made in order to help combat inflation."

Relief in personal income tax is expected in the coming Budget and this should act as a dampener on large salary demands.

Examining wage and salary increases during the period 1970 to 1974 for the various population groups it was found that the average real pay for whites increased by 6.4%, that of Coloured people by 14.9%, Asians

by 19.7% and that of Africans by 28.8%.

In this period, employment also showed an increase which exceeded the population growth rate.

But since 1974 the picture has changed radically. In the 1974 to 1978 period the average real remuneration of whites has dropped by 6.2%, that of Coloureds by 1.4% and, in contrast, wages of Asians and Africans rose further by 13.3% and 23.3% respectively, in spite of the prevailing recessionary conditions.

This has had an influence on employment. While the employment of whites kept pace with

the growth of population and that of Coloureds was slightly short of the population growth, work opportunities for Asians and Africans increased very slowly.

The message, says the Volkskas Economic Spotlight, is very clear:

"With a fast growing population and given the conditions in Southern Africa, the choice is either fast-growing remuneration per worker with greater unemployment, or wage and salary discipline with more people employed."

Education must have two fundame develop the needed sense of com point, the special interest, ev the general interest. Secondl personal security that allows commitment to the task at hand

This Conference, a product of students as much as of the most important social this commitment and seeks to explore one of the most important social issues of our time, a formidable task by any standard.

It is my hope that the deliberations of the days to come will never become ends in themselves but will serve as an impetus to help institute socio-medical change in this country, gifted with so much potential.

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# Public Service expects pay rise

Labour Reporter

High hopes for a 15 per cent pay increase were expressed today by Mr Jimmy Zurich, president of the Railways Artisan Staff Association, amid warnings of a threatening labour crisis in the Public Service.

He said the going rate for artisans was R4.50 to R5 an hour and would be R7 or more at the end of the year.

"The employer who is prepared to pay is the one who will have the artisans he requires," Mr Zurich said.

"Those employers who pay peanuts will have monkeys."

The Railways was already battling in some trades although the economic revival had not yet begun.

"The prospects for pay increases are good and I am optimistic that we shall get the 15 per cent rise we asked for," he

said.

Dr C M Cameron, president of the Public Servants' Association, said it was well known that there were many thousands of vacancies in the Public Service at present.

## ECONOMIC REVIVAL

"We cannot allow this situation to deteriorate as it must in an economic revival unless Public Service remuneration is adapted," he said.

His association was well aware that the Government was seriously planning to improve the Public Service by restructuring and other means.

But it needed to attract and retain essential staff to maintain effective administration and services.

"The private sector can only function optimally where the Public Service functions smoothly."

Remuneration policy had to be adopted to prevailing circumstances, Dr Cameron said.



# Why black employment lags

By HAROLD FRIDJHON

THE VIEW was expressed in the latest Volkskas Economic Spotlight, reported in yesterday's Business Mail, that a reason why black employment was not increasing as fast as population growth — as it appeared to be doing for other groups — was that wage increases for Asians and Africans had been too fast and too big from 1974 to 1978.

During this period the average real remuneration of whites and coloureds actually declined and the average real of Indians rose by 13,3% that of Africans by 23,3%. It seems as if the author of bank's Spotlight has made

an incorrect, and rather narrow, inference from the statistics which he quoted and that he erred when he concluded that:

"With a fast-growing population and given the conditions in Southern Africa, the choice is either fast-growing remuneration per worker with greater unemployment, or wage and salary discipline with more people employed."

While high wages are a deterrent to employment of "gang" labour, the shortcoming in our society is that most of the labour force, which is black, is untrained, unskilled and unequipped to do anything but gang-labouring. This means that in time of recession the

first and obvious cost-saving is to get rid of the untrained labour and to hang on for dear life to all the skilled labour an employer can afford to keep.

In a homogeneous and more balanced society, when recession hits, work lay-offs extend all the way down the list because the employer knows that as soon as the economic revival comes, he will be able to buy labour in all categories.

But not in South Africa.

Skills here have been confined largely to two groups, predominantly the whites and to a lesser extent to the coloureds, particularly in the Cape. In the boom years of the 60s and early 70s, the shortage

of skilled South Africans was supplemented by the importation of a highly trained workforce from Europe. These people left South Africa when the business momentum was running down and the exodus of these temporary immigrants was accelerated after the Soweto riots.

We have now reached a point when the economy is awakening and the country is talking about importing skills all over again. Which proves the point that black unemployment is not basically dependent on increasing African wages but on the failure of the society at large to educate and train people to do skilled work.

If one were to take the Volkskas premise to the ultimate, African wages should be held down to subsistence levels, that as much production as possible should be labour intensive and that we should have a disciplined Korean type of economy to supply cheap goods to the Far East.

This would certainly be a way out if it were not for the fact that this is not a homogeneous society in which wealth and privilege are colour-labelled and if Africa, generally, were not on the move. Here we have to create our own solutions, which means that we must advance people as well as pay scales.

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## (b) Healthiness of Life

Morbidity is a more diverse phenomenon and can only properly be assessed by surveys. Some classification is needed by degrees of morbidity and perhaps also into the length of disability involved to distinguish chronic from acute conditions. Some examples are:

The U.K. Censuses use the following questions in respect of each person:

- (1) Do you have any longstanding illness, disability or infirmity? If yes, does it limit your activities in any way?
- (11) During the two weeks ending last Sunday did you have to cut down on any of the things you usually do because of illness or injury?

Disability is classified by length of time suffered.

The OECD uses an indicator based on 'lack of participation in normal activities due to presence of illness or injury'. This is incomplete, but reflects an important aspect; it has a simple behavioural criterion and can be expressed as days per year (chronic illness counts as 365 days).

A problem with unidimensional morbidity indicators is that the time spent sick, and the degree of sickness (perhaps again composed of intensity of pain, and disability) are conceptually distinct.

Health service-records are an unreliable guide to morbidity because of differences in the ability of the population to recognise and present different illnesses.

## 2. Composite Indicators

- (1) Disability-free days are expressed as a life-expectancy of disability-free years or as an average number of disability-free days per year. A 'disability-free life expectancy' measures health rather than illness (though it is measured in a way which relates it monotonically to measures of ill health so there is no advantage); and it can be easily understood. However, it gives

(4) D.F. Sullivan, 'A Single Index of Mortality and Morbidity', Health Service and Mental Health Association, Health Report, vo. 86, no. 4, April 1971.

# Bosses budget for boom pay packets

By BILL CAIN

PAYROLL floodgates are set to burst. Salary rises this year will return to the early-70's boom proportions as confident companies muster for the economic lift-off.

Top men can expect up to 20% hikes in hard cash with key craftsmen taking home much fatter pay packets as the skills pool shrinks.

Executive secretaries are also singled out in a nationwide survey as premium employees with gilt-edged futures.

"They look like becoming very rare and moving up the pay scales as never before,"

struggle to stay in the manpower race.

Human resources manager, Martin Westcott, says: "Initial indications show payroll provision for executive salaries going up 15% and around 11% for other workers. People these companies want to get or keep will probably be offered much more."

He adds: "The last time this sort of thing happened was in 1974-75."

Expected beneficial shifts in personal tax during next

month's Budget should leave most breadwinners and their families even better off.

P-E's preliminary findings corroborate predictions by Stellenbosch University's Bureau for Economic Research of 20% pay rises for black building workers and 11% — plus other premium payments — for white artisans.

Further proof of business backing for Finance Minister Owen Horwood's target of 5% growth this year is intensified head-hunting overseas for skilled men to maintain the momentum of industrial expansion.

sion.

Mr. Westcott and Mr. Cole confirm that the idea of working in SA is being sold harder to journeymen and technicians in Europe. They add that the "sunshine and Chevrolet" image running in UK national newspapers is also likely to go out soon on commercial radio airwaves.

Mr. Westcott says: "The salaries of senior secretaries have effectively doubled over the past six years. The average woman in this job now will demand more than R600 a month in Johannesburg."

S. J. van der Merwe 10/2/80

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③ They work together. How do wages compare?

# Employers not bridging the race wage gap

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DESPITE efforts to close the wage gap between skilled White and skilled Black employees, the Blacks are getting only 62% of the pay of their White counterparts, according to the Paterson Plan survey published by salary consultants FSA.

The survey confirmed earlier findings that the earnings of skilled Blacks ranged between 57% and 65% of those Whites doing comparable jobs.

The wage gap does not appear to be solely between White and Black workers, but to extend to Asians and Coloureds who, FSA report, are paid about 25% less than their White counterparts.

"Companies seem to want to close the gap but the cost, time involved and return on invest-

ment in labour are influencing the pace of the process," said Mr Vin McGrory, the senior FSA consultant who devised and conducted the survey.

"Many companies are thinking about upping the salaries of their Black workers by 15% during 1980, against a probable 10% to 11% for Whites — but that is not nearly enough. At this rate it will take about 11 years to complete the exercise — even with annual increases of 20% it would take at least five years."

The FSA survey indicated that the of equalising wages over one year to a company employing 200 Blacks would be well-over R250 000.

"It is obvious that companies will have to schedule the exercise over a period of time and workers will need to improve productivity to ensure a

reasonable return on the investment made," said Mr McGrory.

Action programmes could range from short-term rationalisation of labour, to the raising of skills through properly structured training programmes.

Rationalisation would mean a reduction of the labour force, and hardly be popular — but the costs of developing training schemes would, in the long term, be more than offset by the advantages of job progression and financial rewards on a non-discriminatory basis, the report claimed.

Companies which supplied data for the survey were given details of wages paid to all levels of workers, from unskilled men to management executives, in all areas of South Africa.

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# Nurses' pay may rise — no promises

Argus Correspondent

JOHANNESBURG.— Nurses in provincial hospitals may soon be getting salary increases — thanks to the Save Our Sick (SOS) Committee.

The committee was formed last month to demand better pay for nurses. More than 13,000 people have signed a petition sent to the Minister of Health, Dr L. A. P. A. Munnik.

Matters came to a head on Monday when Mrs Elaine Lavin, organiser, and a colleague, Mr Guy Drew, met the Minister in Cape Town.

'We went down not knowing what to expect and were very well received,' said Mrs Lavin.

## 'SYMPATHETIC'

'The Minister was sympathetic — he didn't hurry us.

'I have the feeling that he will do something.

'We explained the position in the hospitals. He told us that he realised there was a shortage of nurses because of the poor salaries, but said that he couldn't make any promises at this stage.'



# 'Better pay' plea for local talent

**SOUTH AFRICAN** local government authorities should be able to afford to compete with the private sector for the services of professional men and not have to rely largely on their dedication to their work, a Canadian-based planning and urban design authority, Mr Peter de Tolly, says.

Born in Cape Town and a graduate of the University of Cape Town, Mr de Tolly is the City of Toronto Planning Board's

waterfront section programme manager.

During an interview in Cape Town, he said that the policy in Canada and North America had been to vote budgets which enabled the various authorities to employ many of the best professional men.

Were South Africa to follow this attitude it would enable experienced and ambitious young professionals to make a lifetime career with the public authorities.

At present it appeared that a few dedicated men stayed in the civil service while the majority of young, talented men gained experience at the expense of the service and then moved on to the more remunerative private sector, he said.

'I understand that this is being recognised in South Africa at a central government level, but has not yet filtered down to local authority level.'

He said that after talking to CT architecture

students and his colleagues in the profession, he got the impression that were there more public sector opportunities, there would be less of a 'brain drain' and more professional men would stay in the country.

'There is no question that the talent is here in quantity and quality, but professional men leave because there is not the opportunity to realise their fullest potential and they seek these opportunities elsewhere. Politics has something to do with this, but my feeling is that this is a secondary consideration,' he said.

# Blacks hope for big rise

Pretoria Bureau.

MORE than 300 000 black, coloured and Indian workers in the public service will be anxious to see to what extent the wage gap is to be closed in the new wage and salary structure to be announced by the Minister of Finance in his Budget on March 28.

The Government is committed to narrowing the gap, but some black workers claim the process has been too slow.

In his budget this week, the Minister of Transport, Mr Chris Heunis, indicated the gap would be narrowed, but he gave no details.

The nearly 30 000 black, coloured and Indian workers in the Post Office also expect to hear the Government has approved a quickening in the gap-closing process.

Meanwhile, senior public servants' expectations are high that they will get at least as good a deal as the railway

workers.

They point out that the 13.7% increase, plus one month pay bonus, adds up to an effective rise of more than 20%.

And last night the president of the Public Servants' Association, Dr C M Cameron, warned that all Government and provincial workers could not expect to benefit to the full extent of the average percentage increase.

There would be some differentials, mainly aimed at those key areas where substantial increases were considered necessary to retain or attract staff.

At the top would be the super bureaucrats, the directors of departments, whose earnings were expected to be raised well above the level of secretaries of departments.

It is speculated this will be between R40 000 and R45 000.

A "special deal" for nurses and teachers was also on the cards.

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RDH

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# Dissatisfaction, but Council pay offer accepted

Staff Reporter

CAPE Town's black municipal workers have accepted a 12 percent wage rise offered by the City Council, but declared they would continue to press for more money.

At a mass meeting yesterday about 1 500 members of the 11 000-strong Cape Town Municipal Workers' Association packed the City Hall to express their dissatisfaction with the City Council's offer. In a statement released yesterday, the CTMWA said workers had accepted the increase, but only to alleviate the immediate plight of the worst-paid employees.

The CTMWA said the workers would proceed with arbitration next year if negotiations over higher wages broke down. The municipal workers had originally demanded a 25 percent increase.

## 'Living below the breadline'

The council had agreed to increase its contribution to the municipal pension fund and would ensure that no worker received an increase of less than 10 percent. Holiday bonuses would also be increased, as would long service allowances.

The CTMWA said increased costs of clothing, food, transport and rent meant that some workers were living below the breadline. Wages had not kept pace with the cost of living.

As a result of low wages, the wives and children of council workers were being driven on to the labour market to supplement family incomes. The result of this was a decline in the educational, cultural and social level of municipal workers and their families, the CTMWA said.

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# Pay-packet boom

**SOUTH AFRICA'S work-force can look forward to a pay-packet bonanza worth hundreds of millions of rand, according to a survey to be published soon by a large firm of management consultants.**

And the company, P-E Consulting Group, says that even if the budget is anti-inflationary there will be no stopping the boom from gaining momentum.

The company's salary survey, which monitors wage and salary increases every six months in more than 500 of South Africa's largest companies, shows that employers are granting massive pay hikes to their staff at all levels.

The survey shows that in the months July to January:

• The basic average monthly pay of bricklayers is up 18 per cent to R902.

• Chief executives are taking home 16,3 per cent more cash — apart from perks — to shield them from poachers.

• Black construction work-

ers have up to 18 per cent more in their paypackets.

• Advertisements for R100 000 company bosses are becoming common.

• Single-digit percentage rises over a full year will eventually disappear.

• Marketing men capable of exploiting busier times are averaging 17,1 per cent more pay than last July.

A spokesman for P-E and one of its directors, Mr Martin Westcott, says everyone, from top executives to junior categories of skilled and unskilled labour, will share in the boom.

## Executives

"Black salaries are taking off, leading to a huge increase in public spending and fat times for retailers and consumer goods manufacturers," Mr Westcott said.

P-E's mid-term survey, which will be published early next month, shows that senior executives received average pay hikes of 15 per cent during the past seven months.

GARY DIXON and BILL GAIN

Some, like marketing executives, received increases of more than 17 per cent.

And, said Mr Westcott, a new breed of super executive with annual cash earnings of more than R100 000 was becoming more noticeable.

"In the past, positions which carried salaries of this level were relatively scarce, but the serious shortage of skilled executives has pushed up salaries rapidly.

"The increasing mobility in international terms of the South African businessman has also played its part in the pattern of high salaries for the local executive," Mr Westcott said.

He said the trends indicated by the results of the mid-term survey were very similar to those which evolved during the boom for the South African economy in the early years of the last decade.

"In those days the shortage of skilled personnel at virtually all levels was not as pro-

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nounced. We can therefore expect the trend to be taken at least a step further with larger increases being granted.

"Artisans, in particular, are reaping the benefits of their skills. It is now commonplace for experienced artisans to earn up to, and in some cases, more than R1 000 a month," Mr Westcott said.

## Trend

He said bricklayers, carpenters and joiners had received particularly high wage hikes. Those of bricklayers, for instance, had increased by up to R150 a month during the last seven months.

Black construction workers had received increases of more than 18 per cent.

"This trend is a clear indication of the recovery of the building industry and the economy in general," Mr Westcott said.

He said the announcement of large pay increases for public servants would push private sector salary increases even higher.

"Traditionally, the shortage

merce and industry drawing personnel from the public sector. The private sector, therefore, will be forced to make its salary scales even more attractive."

Mr Westcott said the country's labour force could, for the first time in many years, regain ground in terms of real income and actually receive pay rises which were higher than the consumer-price index.



# R13 000 rise for Ministers, R10 000 for PM

## Political Staff

Cabinet Ministers are set to get a 41 percent rise in income from this year's Budget.

The Budget estimates show that a substantial amount of the R480,5-million increased wage bill earmarked for public servants will go into the pay packets of the upper echelons of the service.

Commenting today on the income rise for Ministers, the leader of the New Republic Party, Mr Vause Raw said: "This is the first sign of what could become a staggering spiral of top level salaries. It is obviously linked to the new super secretary system."

Mr Harry Schwarz, the Opposition's spokesman on finance, said the Progress-

sive Federal Party would issue a statement in due course about the whole new salary structure.

The estimates of expenditure issued with the Budget show that ministers' income goes up from R30 345 to R43 000: a basic salary of R33 000 and a re-imbursive allowance of R10 000.

The Prime Minister's income goes up from

R63 177 to R73 200, made up of a salary of R48 000 and a re-imbursive allowance of R25 200.

The State President's income increases from R44 460 to R50 000.

Deputy Ministers are due to get a 34,7 percent increase, from R26 025 to R35 044.

Cabinet Ministers also receive fringe benefits such as houses for which

they pay a nominal monthly rental of R45, and chauffeur-driven cars.

Unlike past years, the salary breakdowns, of departmental secretaries are not given in this year's estimates.

It is expected that increases similar to those for Ministers might also have gone to the new Directors General of the various departments.

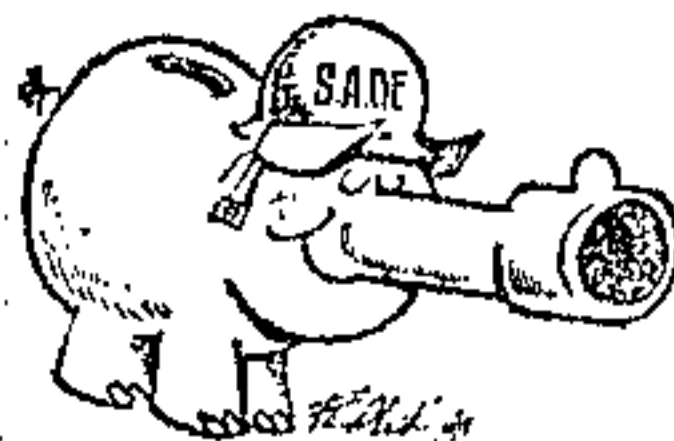
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## Police 'in the dark' <sup>STAR</sup> about pay <sup>27/3/80</sup> increases <sup>355</sup> ~~251~~

Police were today still in the dark about the effects of the budget on their salaries, but they were pleased with the news that their bonus payments were to be increased.

Major Fred Bull, senior police public relations officer, said that the Public Service Commission would have to set out the increases in rands and cents before police knew how much they would get.

Police, long regarded as the "Cinderellas" of the public service, were not singled out for special attention in the Budget and some police officers who spoke to The Star were unhappy about this



## Defence cash tops R2 000-m

THE ASSEMBLY — Defence spending for this year has been increased by 28,7 percent to R2 074,5-million.

Comprising almost 16 percent of the total Budget, the South African Defence Force has also benefited from the windfall surplus from last year with R160-million being given to the Special Defence Account.



# Blacks have not been forgotten in Budget

STAR

27/3/80

By Tom Duff, Political Reporter

**THE ASSEMBLY** — Special benefits for blacks in the form of improved housing, education and training are contained in this year's bonanza Budget.

These are in addition to a wide array of other concessions and handouts they will enjoy along with people of other races.

But many blacks will be hit hard by price rises of four cents for a brown loaf of bread and five cents for a white loaf from the beginning of next month.

However, the Government has increased its subsidies on a variety of foodstuffs from R172-million to R221-million to stave off other increases.

## THE BENEFITS

Benefits the Budget will give blacks include:

- A 20 percent tax reduction and a raising of the threshold of liability for tax from R1 200 to R1 800 a year.

- An increase in spending of about 33 percent by the Department of Education and Training. Among major projects is the spending of R4-million on urgently-needed school accommodation on the East Rand.

- An amount of R12-million which is being set aside for low-interest loans for housing and infrastructure in urban residential areas.

- The total provision of the national housing fund is also being increased by 20 percent to R225-million.

- A possible housing boost for farmworkers due to tax deductions for farmers who provide housing for them.

## Top executive and mechanic better off

By Stephen Suckley  
How does the Budget affect me?

Today thousands of workers are asking themselves this question.

Two examples indicate what Finance Minister Owen Horwood's tax cuts will mean to the man in the street.

First, a motor mechanic with two children and a wife who works to maintain a standard of living threatened by inflation.

They live in Yeoville in rented accommodation on a combined income of R13 200. His current yearly tax is R1 375.

Now, with an increase in the allowance for a

working wife, the removal of the loan levy and a reduction in the tax rate, he will pay R980, or about 30 percent less. But he will only score from the July month's pay cheque.

At the other end of the tax scale is a single unmarried executive who earns R50 000 a year and also benefits.

At this top end of the scale the marginal tax rate has been cut from 5 percent to 50 percent.

A chief executive has been paying a whopping R24 167 to the taxman, including a loan levy of R2 197.

Now his tax will drop to R18 752 — a reduction of R5 415, or 22 percent.

administrations and statutory bodies which will be relatively higher than those for whites.

Details will be announced soon. The Minister of Finance, Senator Horwood, has announced that the programme to narrow the wage gap between the races had entered a new phase.

- Increases of R5,50 a month for black social pensioners plus a bonus of R18 payable in May.

- A minimum increase of R17 a month for black civil pensioners. An increase of 20 percent will be granted to those who retired before April 1 1969; 15 percent for those who retired before June 30, 1973; 10 percent for those who retired afterwards.

This year's budget also gives attention to homeland consolidation and development.

- R4-million has been allocated to black hospitals, with the lion's share presumably going to Bagmati.

## PAY RISES

- Pay increases for blacks in the public ser-

Low skill job opportunities have been created successfully in building and construction. These opportunities are often however overlooked by governments who are overwhelmed by the technical efficiency of modern technology; they tend to see housing as a poor investment financially; trade unions resistance, furthermore frustrate the use of this key factor for solving urban unemployment i.e. by excluding unskilled and semi-skilled labour from tasks which they could perform quite effectively. The labour unions enforcement of rises in wage levels and other service benefits against the background of lower labour productivity tends to elevate costs to levels at which market resistance is definitely encountered; so much so that housing inevitably becomes part of the social responsibilities that have to be borne partly or wholly by the public sector.

Even in developing countries where the activity structure is not so strictly formalised, governments and their advisors often underestimate the economic potential of housing. Exploitation of this potential presupposes however that the normally applicable strict prescriptions relating to employment, materials and methods be revised, enabling entry of builders with limited capital equipment; trade skills needed are relatively low; training programmes are short; and material inputs of local origin. This explains

the success achieved by builders in the still comparative is still compares

The conference called for a R80 minimum monthly salary for all domestic workers and also made a plea for an eight-hour day and a 40-hour working week for employees in industry and commerce.

DURBAN — The South African Allied Workers' Union has called for a national minimum wage of R50 per week indexed to inflation for all workers employed in commerce and industry.

At its conference in Durban during the weekend, the union also called for the abolition of the Group Areas Act, the Influx Control Regulation Act, the Separate Amenities Act and the migratory labour system.

## Union calls for minimum wage

One hastens to point out that the proposal is based on the assumption of a sufficient number of jobs to be provided.

should not be scored by a benefit which is not a potential source of output.



# Bosses told: review pay

By BULARA DIPHOTO

INCREASED tariffs which affect most, if not all, black townships under the jurisdiction of the Orange-Vaal Administration Board, have been brought to the attention of the employers. They have been urged to review the salaries of their black employees.

The regional director, Mr J B J Hasbroek, this week showed POST a letter of notice which bore the signature of the new chief director, Mr B C Ganz. He said the notice has been forwarded to the employers.

The letter read as follows: "The administration board, community councils and advisory boards are dependent mainly on revenue derived from house rents and service charges in order to effectively administer black townships on economic basis."

The letter continued: "In view of the above, and the escalation in costs, in respect of providing and the maintaining of essential services, (eg water, sewerage, refuse and nightsoil removals, roads, electricity, welfare, transport and health service), it has been resolved, in consultation with the said councils and boards, to increase house rents and service charges with effect from April 1980."

It added that "further information can be obtained from the local branch manager. All employers are kindly requested to bear these increases in mind when they adjust the salary and wage structure of their employees."

## HOUSE RENT

"Employers who pay monthly house rent and services charges on behalf of their employees to the administration boards," the letter read, "are asked to make the necessary adjustments in their payments to the board."

"Your co-operation in this matter will be greatly appreciated," the letter said.

On the reverse side of the letter is a comparative schedule of tariffs payable by residents at their respective townships, levied up to March 31 and the increased tariffs payable with effect as from April 1. There is also a list of capital projects which the board hopes to complete within the current financial year.

Mr Hasbroek said: "We made this sincere request to the employers in view of the fact that, apart from the unavoidable increase on rent, residents are always hit hard by the ever increasing cost of food and clothes."

## Rise in wages

Deputy Financial Editor

WAGES for unskilled workers rose in the last half of 1979, according to a spot survey made by the Durban Chamber of Commerce.

For males, the weekly wages last December ranged from R26.91 to R50.02 and for females, from R19.70 to R34.46.

This compares with a range six months earlier of R22.76 to R43.58 for men and R17.52 to R34.46 for women.

The wages do not include overtime, fringe benefits and payments in kind. In the case of the lower scales, free accommodation is provided. About 500 workers are included in the survey.

Five categories of workers were surveyed. Banks, building societies and insurance companies produced a 14 percent increase for men and 21 percent increase for women.

Retail and wholesale shops hardly appear to have given any rises at all as the six-month increase was 2 percent for men and 0.8 percent for women.

The motor trade gave its men a 4.5 percent increase for men and 1.8 for women.

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### 2.3 Die struktuur van die vervaardigingsektor

In terme van indiensneming is die vervaardigingsektor in Wes-Kaapland gestruktureer soos aangetoon in tabel 2.4 - hierdie opname sluit ook sekere handelsdienste-organisasies soos motorhawens in.

Die tekstiel- en klerasievervaardigingsbedrywe oorheers met verantwoording van bykans een-derde van die totale indiensneming; 'n opvallende kenmerk van die bedryfsektor is die hoë komponent vroulike indiensneming te wete 72% van die werknemers in die sektor. Die herkoms van hierdie bedryfsektor in die Wes-Kaap dateer uit die vorige



# Civil servants to get salary rise details

355  
3/4/80

PRETORIA — Just how the R480 million in rises for half a million workers of government is to be distributed, will be explained to personnel officials of state departments at a meeting with the public service commission here today.

A commission source said yesterday the complexity of the operation could be measured by the fact that there were about 600 different work categories.

The structural and salary changes information is contained in four volumes covering about 900 pages.

It is regarded as

probable that because of the complex administrative work involved the increases will not reflect in cheques until the end of May.

One objective of today's meeting is to rule out the possibility of over and underpayments when the new cheques are run off the computers.

Meanwhile, public sector workers, including teachers, nurses and police, are waiting anxiously to see just how far the differentiated pay principle has gone, and what the lowest and highest increases are to be.

The fear is that the gap

could be as much as 12 per cent.

A crisis threatens in both the teaching and nursing professions because of a steady stream of resignations and difficulties in recruiting student teachers and nurses.

The government has been told by staff associations that unsatisfactory pay levels are the reason.

Senior police officers are also concerned about resignation from the force at a time when a full establishment is needed in a maximum effort to fight rising crime rates in urban areas. — DDC.

In support of this contention I quote Tomlinson and Van Wyk (1966) (freely translated): "If one compares the knowledge originating from research plus technological aids to the application of these to the practical situation, the lack of knowledge among a large percentage of our farmers is quite startling. The efficiency of most farmers could be increased by anything from 50 up to 100 percent which can then directly, or indirectly via extension systems could be as much as 12 per cent."

As a linking system, it is the responsibility of extension to transfer and diffuse the message, which originates from research (innovative system) to the farmer (practitioner system), and to see that it is adopted and applied. The latter is often only possible after the message has been adapted to the circumstances specific to the practical situation. Apart from the horizontal function of message diffusion, there is also the important vertical function of message adaptation (Coughenour, 1964).

Developing the message is not the task of extension. The debatable point rather concerns extension's responsibility in the adaptation and adjustment of the message to be communicated. It is in this sense that the function and responsibility of extension as a management information system must be questioned, as such a system must be seen as an aid to the development and adjustment of messages which can then directly, or indirectly via extension systems made available to the farmer.

One of the most important tasks of extension is to relay or transfer the results of scientific studies so that they may be applied in solving problems which arise in the practical situation.

As a linking system, it is the responsibility of extension to transfer and diffuse the message, which originates from research (innovative system) to the farmer (practitioner system), and to see that it is adopted and applied. The latter is often only possible after the message has been adapted to the circumstances specific to the practical situation. Apart from the horizontal function of message diffusion, there is also the important vertical function of message adaptation (Coughenour, 1964).

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In South Africa the unfavourable ratio between the extension officer and his clients: 1:718 (Robbertse, 1977), as well as his myriad regulatory duties have resulted in the extension officer being left with time for little more than advising those farmers who, usually as a result of a homophylous communication relationship with the extension officer, had already developed a need for information. These farmers profited by the wind-fall gains, and compounded their advantage by once again making more use of available information and extension services. In this way all that remained for the rest of the farmers, the vast majority, were the proverbial crumbs as far as the extension officer's accessible time was concerned.

We see here the cause of the trend of progressively fewer farmers producing an ever increasing percentage of the total agricultural production. In 1971 it was estimated that 30 percent of the farmers were responsible for some 70 percent of total agricultural output (Van Eden, 1971), while a more recent estimate puts the figures at 20 and 80 respectively (Möhr, 1977). In South Africa, as in many other countries, extension can be blamed for the widening gap between good and bad farmers.

When theorising on possible policy-options for the future, ethical and socio-cultural as well as economic factors should be taken into account.

This being an agricultural economics congress, I don't wish to diverge in respect of the first-mentioned two factors, yet from a purely economic point of view it would seem as if extension, and by this I mean the preparation phase, i.e. the creation of needs and motivation, should enjoy priority over the purely passive passing on of information, and for that matter, of management information as well.

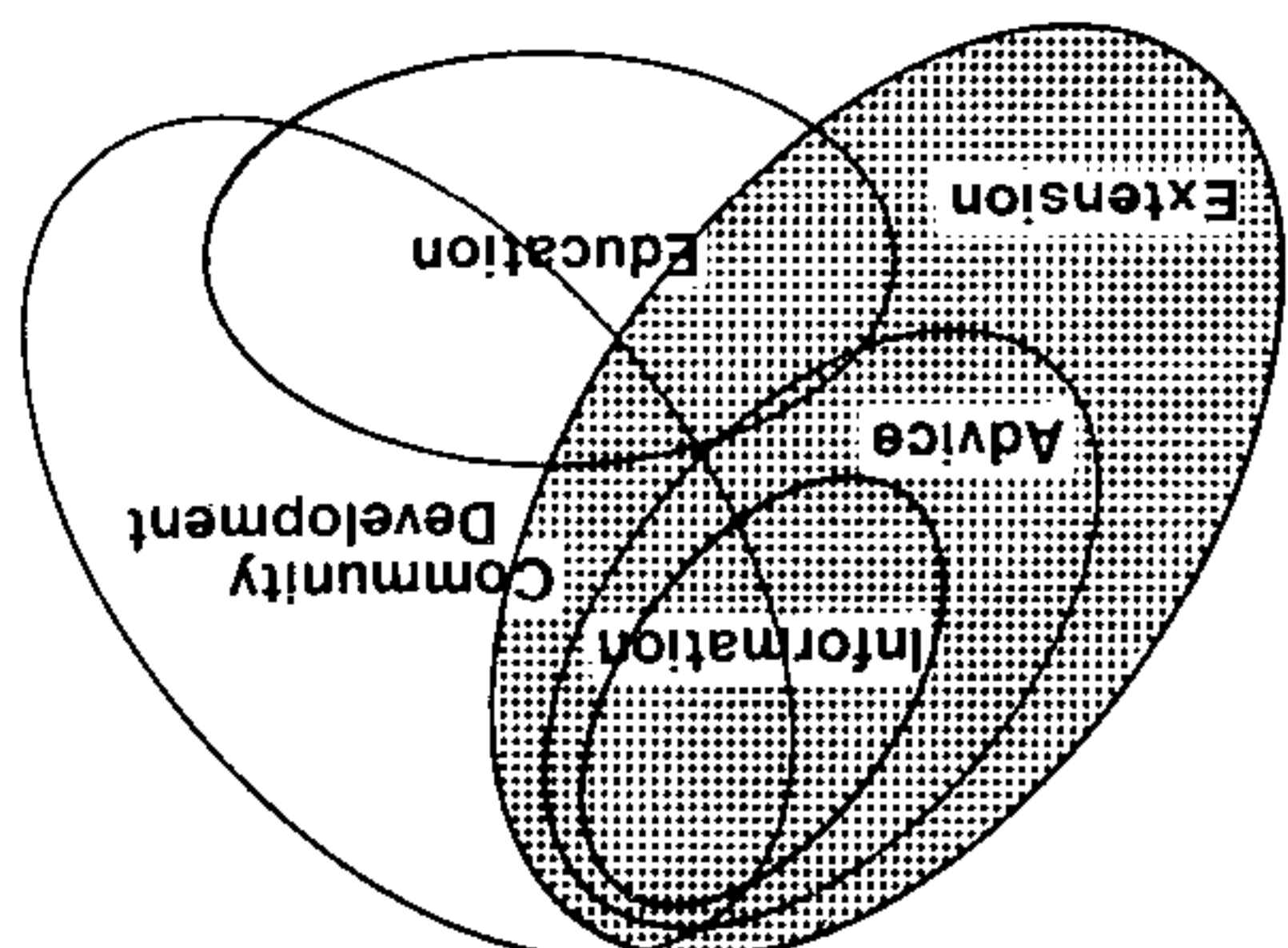
I base this conclusion on the belief that the time-lag, as far as the majority of farmers is concerned, is still so great that its narrowing constitutes the greatest potential for increasing production and efficiency in the farming sector.

In support of this contention I quote Tomlinson and Van Wyk (1966) (freely translated): "If one compares the knowledge originating from research plus technological aids to the application of these to the practical situation, the lack of knowledge among a large percentage of our farmers is quite startling. The efficiency of most farmers could be increased by anything from 50 up to 100 percent which can then directly, or indirectly via extension systems could be as much as 12 per cent."

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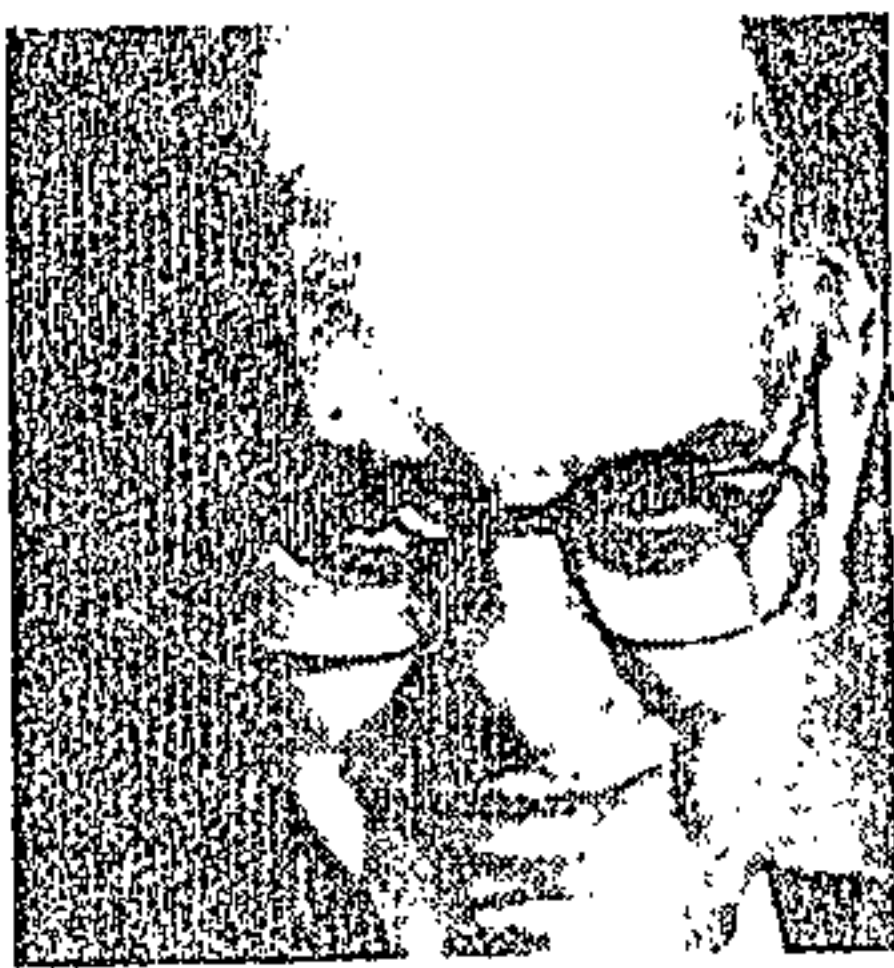
Fig. 1 — The field of definition of extension relative to other concepts.



When speaking of extension in the wider sense as illustrated in Fig. 1, and from a philosophical, ethical point of view, I find it difficult to accept any other definition. We see clearly that management information, or the provision of information, forms only one facet of extension.

methods, but also the goals of extension.





ulder.

• The rising price of Prime Ministers -- Smuts (R6 000 in 1946), Strijdom (R12 200 in 1955), Vorwoerd (R17 500 in 1961), Botha (R73 000 in 1981).

DO YOU KNOW WHAT YOUR  
PRIME MINISTER COSTS?

# Dalling hits big bill for leaders

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CABINET ministers will get pay and allowances worth at least R65 000 a year in real terms when increases given in this year's Budget come into effect, David Dalling, Progressive Federal Party spokesman on finance, told the Sunday Express this week.

This is inordinately high. The 23% rise in Cabinet pay and allowances is quite out of line with the pay restraints imposed on the civil service and on teachers, who have been given increases of only 15% to 17%," he said.

Increases for Members of Parliament were said to be in the region of 17%, he added, although the actual figure would not be known until the end of the month.

The Minister of Finance, Senator Owen Horwood, announced in last week's Budget that:

• The Prime Minister's salary would be increased 15% from R63 000 to R73 000, with a basic salary of R48 000 and tax-free allowances of R25 000.

• Cabinet Ministers would get a rise of 33% from R33 000 to R43 000, with a tax-free allowance of R10 000.

He also announced increases in the statutory amounts paid to MPs which, it is believed, will raise their Parliamentary incomes to R17 400.

The tax-free allowance for a Cabinet minister meant that his salary was worth R48 000, Mr Dalling went on.

In addition, there were many perks enjoyed by Cabinet Ministers, including:

• Luxury houses in Cape Town and Pretoria at nominal rent.

By JEAN LE MAY

- Two cars each and free petrol for official business.
- Free light, water, and gardeners.
- No property rates or taxes on official houses
- Free air and rail travel on official business

In real terms, all this meant that a Cabinet Minister's pay and perks amounted to at least R65 000 a year, said Mr Dalling.

"One would have no complaints about high pay for Cabinet ministers if pay restraints were not placed on the sections which they govern," he went on.

"It is not unusual in a large commercial organisation for the top men to receive salaries of R60 000 and upwards, but then it usually happens that people in the echelons immediately below get almost as much, within a few thousand.

"But in this case, the men at the top -- the Cabinet ministers, who after all are politicians -- get virtually twice as much in pay and allowances as the salaries of the next highest in line.

"In fact, South African Cabinet ministers get inordinately high salaries.

"Members of the civil service, in particular the police, are in my opinion fully entitled to resent the very pedestrian increases they have been given, which in many cases have not even kept pace with the cost of living, when the Cabinet is being so highly paid for mismanaging the country."

Director-Generals in the new "rationalised" public service will get R37 500 a year, according to pay scales recently announced.

This is R10 000 less than the corporate levels which had been predicted. Top wage notches in the lower echelons are around R18 000 a year.

earn R60 000 to R100 000 a year in mining houses and big conglomerates, Mr Des Froneman of MSL said in May last year, and fringe benefits frequently amounted to 10% of these amounts.

Figures published recently by the Department of Statistics show that average income increases for Whites in 16 trades, professions and the civil service in the five years between 1974 and 1978 was 46%.

On the other hand a survey by a bank found that there was a yearly drop of 6.2% in the disposable income of Whites.

Yet in the last decade increases granted to the Prime Minister amount to 133% and those to Cabinet Ministers Ministers 83%. But MPs are well below the national average with a mere 19%.

new millions, but to show that benefit of all. Business, through fair promotion and remuneration, through and constantly improving labour relations human dignity, can vitally affect the future



# SHORTAGE OF SKILLED LABOUR BECOMING SERIOUS, SAYS EXPERT

SUN EXP 13/4/80

## Artisans get big pay increases as economy booms

175

179

353

ARTISANS in virtually all sectors of industry are receiving very large pay rises as the economy booms and demand for skilled personnel heats up.

P-E Consulting Group's Mid-Term Salary Survey, published this month, shows that wage increases for some artisans during

the past seven months were as high as R150 a month.

Average wages for fitters and turners on the Witwatersrand rose from R720 in July last year to more than R850 by the end of February 1980.

P-E's Mid-Term Salary Survey also shows that bricklayers, for instance, received large wage increases during the

same period.

Their monthly pay rose from R764 to over R900 during the past seven months.

"We have reached a situation in which artisans have recognised the extent to which their market value has escalated in terms of wages and working conditions," says Martin Westcott, a director of P-E.

"Unless the pace of Black advancement into the semi-skilled and skilled trades is accelerated, the shortage will become so serious that continuous economic growth will be jeopardised," says Westcott.

In recent years, systems have been evolving to help solve the short-term training requirements of industry for skilled labour.

The training of semi-skilled personnel to take over some of the functions of the qualified artisans was an attractive solution and one of the most frequently employed.

Some of the gaps are being filled by semi-skilled workers to allow the artisans the time to concentrate on the more sophisticated tasks.

In one recent example a large company was able to overcome its critical skills shortage by training Blacks to take over some of the tasks artisans were handling.

"At the same time the programme resulted in a huge cost saving as the number of artisans employed was reduced."

Westcott adds that in some sectors the shortage of artisans has become so severe that companies are recruiting artisans overseas — at inflated wages and benefits.

And to retain artisans many companies are offering increasingly attractive benefits.

Some have placed their hourly-paid staff on the monthly payroll. Others are offering pension and medical aid schemes as incentives.

"Artisans are traditionally more mobile than most other categories of workers and this mobility is, of course, heightened during a period of rapid industrial growth.

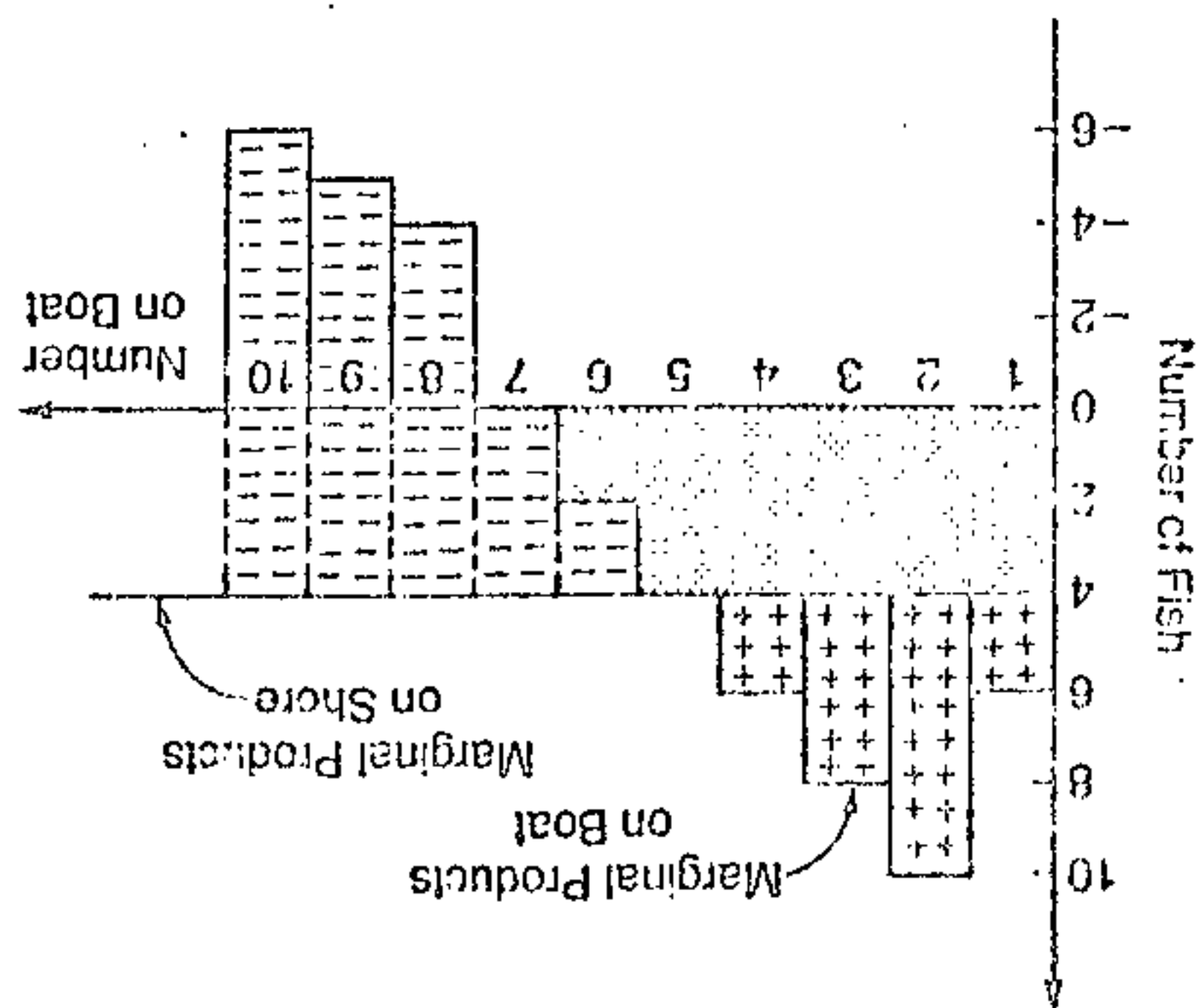
"Wages therefore rise quickly and employers are constantly having to look for replacements."

"This is a clear indication that the building industry is recovering.

"The wages of Black construction workers also went up by a staggering 18% during the same period."

The vertical bars represent the marginal product (in fish) on board the boat. The horizontal line at 4 fish is the marginal product (in units of fish) on the shore. The areas occupied by plus signs denote the gain by having fishermen on the boat, while the areas marked with minus signs are the losses of having too many people fish on the boat.

Figure 9-1. Marginal Products on Boat



# Pay bill will soar 25 pc as the boom gets under way

STAR 15/4/80

355

By Sieg Hannig

South Africa's pay bill could soar by 25 percent to close to R30 000-million in the booming economy of 1980, according to a Johannesburg salary consultant.

Mr Jon Cole was commenting on a survey by the P-E Consultant Group which shows that executive pay in companies which reviewed salaries during the past seven months rose by an average of 15 percent.

Artisans in scarce trades can do better than their executives in terms of percentage pay increases in coming months, according to Mr Cole, manager of the consultancy's survey unit.

"Artisans will be anything from 13 to 18 percent better off than last year—depending on the scarcity in their particular skill," said Mr Cole.

His survey shows that white general staff in companies which reviewed salaries between July and March this year had increases averaging 11,4 percent overall.

Black staff did even better with an average of 12,9 percent.

## BACKLOG

"A large backlog of pay demands has been built up and employers are finding that they can no longer afford to ignore this backlog if they wish to retain key personnel," said Mr Cole with reference to the past years' pay restraints.

The increasingly serious shortage of skilled personnel also would serve to inflate salaries.

"Key personnel realise the boom means that they can demand salary increases or find more lucrative jobs elsewhere," he said.

Senior staff, concerned

senior-junior wage gap as a result of the skills shortage, also wanted redress.

Mr Cole said the level of increases granted since July last year was very similar to that of the 1974/75 boom, though the real economic upswing only began this year.

Leaders of South Africa's top artisan unions today met employers in the steel and engineering industries at an Industrial Council meeting which is expected to set a date for the annual pay increases due in July.

They have demanded an increase of 20 percent in the minimum rate and a guaranteed across-the-board rise of 15 percent on current earnings to offset inflation.

Mining unions are also in the process of wage negotiations which are watched with great interest because of the high earnings which the mines recorded in recent months.



# Big salary rises for SA judges

## Political Staff

**SOUTH AFRICA'S judges are to receive substantial salary increases.**

The increases were disclosed in a Bill published in Cape Town today.

The increases are seen as a move by the Government to counteract the growing dissatisfaction among judges over service conditions, in particular the relatively low rates of pay compared with what they could receive as advocates.

The biggest increase will go to the Chief Justice whose salary goes up by 61 percent from R30 431 to R49 200.

Ordinary judges will get an increase of R6 500 and will now earn R32 100 a year.

Judges of the Appeal Court will get 52 percent, earning R43 200. The Judge Presidents of the provinces go up from R26 976 to R37 200, while their deputies receive a 30 percent increase, taking them to R34 300.

The Chief Justice will now get the second highest salary from the taxpayer, with only the State President earning more than R50 000 a year, although the Prime Minister grows more with allowances, earning a total of R73 000.

Annual allowances of R2 700 paid to judges will be increased to R3 000. The increases are to be back-dated to April 1.

355  
214  
13/4/30  
Agg  
**Pay rise  
for mine  
workers**

JOHANNESBURG. — A 13.5 percent increase on standard rates of pay for some 20 000 white union men on the gold mines and collieries was agreed today by the Chamber of Mines and the Council of Mining Unions, according to a joint statement.

The statement said: 'Agreement has been reached on this year's review of wages and conditions of employment in respect of union men, members of the Amalgamated Engineering Union, Amalgamated Union of Building Trade Workers of South Africa, Iron Moulders Society of South Africa, Mine Workers Union, SA Boilermakers' Society, SA Electrical Workers Association and the SA Engine Drivers' Foremen's and Operators' Association.'

Standard rates were to be increased with effect from next month, the statement said. — 5



# Nurses to get massive pay rise

Staff Reporter

THE Minister of Health, Dr L A P A Munnik, said last night it would be safe to assume that South African nurses would soon receive between 17 and 19 percent increases in their salaries.

Dr Munnik was commenting on a report which was published in an Eastern Province afternoon newspaper.

"I do not know where they (the newspaper) got their information from but it would be safe to assume the nurses' salary increases will be between 17 and 19 percent," he said.

The newspaper said that white student nurses would receive 13 percent, coloured nurses 17 percent, and black nurses more than 19 percent.

White nursing sisters would receive 18,2 percent, coloured nursing sisters 24 percent, and 34 percent for black nursing sisters.

Scene Three of our saga opens with the public enviously confiscating the boat owner's rights. The boat is declared public property for public welfare rather than some owner's personal profit.

Public, Communal Property

ing enough (or the boon of catching more than enough) fish to pay for the day's rent and have at least four fish. If the boat owner hires the fishermen, he (the employer) bears the risk for the day on which he has guaranteed the fishermen at least four fish. Why do we emphasize "day"? To see, look again at the rental case: The rent set the following day for use of the boat will be adjusted to match the expected net catch. If the rent is set per day, the fishermen lose only one day's error in estimated catch. But the boat owner will suffer or enjoy the entire future projected changes in catch, as profits or losses in the value of his boat. The boat owner cannot escape projected future change—not even by selling off his ownership, because the new buyer will adjust his offer price to take all that into account. By making short-term rental arrangements, the renters who use the boat avoid being stuck with an unexpectedly bad future. As employees, on the other hand, they are always guaranteed four fish, which they could always catch from shore, regardless of the fortunes on the ocean deep. You can probably conjecture that if the boat were for sale it would be bought only by a person who was more optimistic about the potential catch, or who thought he knew better than anyone else how to use the boat so as to get the largest catch—or maybe the best kind of fish.

The same situation could be described differently. Instead of saying fishermen rent the boat, we could say the boat owner hires the fishermen. In the latter case, he must pay them four plus a midgeon of fish each to fish on his boat while he keeps the total catch, minus those wages. Of a total catch of 34 fish with five people, each is paid four fish, a total wages bill of 20 fish, leaving him 14 fish. There is no difference in this example between fishermen renting the boat or the boat owner hiring fishermen as employees! Is there, then, no difference between Macy's hiring clerks as employees or the clerks renting Macy's building and facilities and paying rent (and inventory-use costs) to the owners out of the total daily sales—leaving the clerks with the same income in either case? No difference, if there is certainly about it. But someone must bear mistaken estimates of the make a difference. For a tant point is the identity of methods, renting and hiring about performance. Uncertainty about the produces a major difference boat, renters bear the con-

Employees or Employer?

is used, that is, how many are allowed on board, and (b) he is allowed to charge a price for access to the boat, and (c) keep the receipts. A private-property scenario permits those conditions. Private ownership of firms is dominant in most non-socialist countries and will be examined in more detail later.

AD 19/4/80  
Miners ~~(21)~~

get pay ~~(355)~~  
increase

JOHANNESBURG — A 13,5 per cent increase on standard rates of pay for some 20 000 white union men on the gold mines and collieries was agreed to yesterday by the Chamber of Mines and the Council of Mining Unions.

In a joint statement the chamber and council said standard rates were to be increased with effect from May.

"In addition, it has been agreed that employers contribute an additional amount to a trust fund to be utilised during the next 12 months in rationalising the benefits payable by the pension fund."

An amendment to the system of paying shift allowances and increases in shift and responsibility allowances paid was also agreed on.

Wage increases for 21 000 white officials and more than 400 000 black employees are still to be determined. — SAPA.



33
221  
 Increases disclosed this week

TEACHERS will learn this week how much more they will receive in their pay packets.

The Director of Education in the Cape, Dr P S Meyer, confirmed yesterday that schools, colleges, school boards and principals would be notified this week of the increases.

It is believed that South Africa's 52 000 teachers may receive as much as 16 percent, but Dr Meyer could not confirm this.

The Federal Council of Teachers' Associations met in East London for its quarterly meeting at the weekend and discussed the new salary scales.

		firm this.			
Number of Men on Board	(	The Federal Council of Teachers' Associations met in East London for its quarterly meeting at the weekend and discussed the new salary scales.	verage product (board)	Net Social Marginal Product	Social Total (Shore plus boat)
0				0	4000 + 0 = 4000
1	6	+6	6	2	3396 + 6 = 4002
2	16	+10	8	6	3392 + 16 = 4008
3	24	+8	8	4	3388 + 24 = 4012
4	30	+6	7.5	2	3384 + 30 = 4014
5	34	+4	6.8	0	3380 + 34 = 4014
6	36	+2	6	-2	3376 + 36 = 4012
7	38	0	5.14	-4	3372 + 36 = 4008
8	32	-4	4	-8	3368 + 32 = 4000
9	27	-5	3	-9	3364 + 27 = 3991
10	21	-6	2.1	-10	3360 + 21 = 3981

\* Anyone fishing from shore catches four fish, and there are 1000 people.

six fish, two more than had he fished from shore like any of the others. The *social total* is two fish larger. But if another person joins him on the boat, the pair can catch a total of 16—10 more, so, with two crew members, the marginal product on board is 10 fish. Marginal products are graphed in Figure 9-1. Since the second person forsakes the four fish he would have caught fishing from shore, the social total increases by six fish with a second person. That is, with two on board the *social marginal* product is six fish; the *social total* is eight more than without the boat. Who gets the eight fish?

If the two people apportion the fish equally between themselves, each has four *more* fish than each shore fisherman. No one else is affected. Or the gain of eight fish could be divided among all 1000 people so everyone could have

4.008 fish. But whatever is done, at least a third person could profitably switch to the boat, as is indicated by Figure 9-1. That would increase the boat total by eight fish to 24 fish (the marginal product with three crewmen is eight fish) while forsaking only four more fish from the shore. The social total increases by four—the difference between the marginal product on the boat and the forsaken four-fish shore-marginal-product. A fourth crewman could transfer to the boat, since the marginal product on the boat, six, with four members is greater than the forsaken marginal product on shore, four—a net *social* marginal product of two. With four boatmen the total product on the boat is 30 (= 6 + 10 + 8 + 6), which, subtracting 16 forsaken fish from the shore (four from each person who shifted to the boat) yields a *social* gain of 14 fish. How the net social gain

Argus 21/4/50

# New salaries for police are kept from Press

Police Reporter

THE new police salary scales have been posted but members of the public and the Press will not be informed about the percentages.

This was said today in an official statement from police headquarters in Pretoria.

The statement read: 'The new salary scales have been posted for the personal information of the members of the force concerned and will not be available for the public or the Press.'

At least 10 days ago, The Argus was informed that the increases would amount to an average of 13 per cent. This was to include a 13th month cheque. It was said then that the effective increase would amount to as much as 20 percent with the new income-tax reductions.

The increases, which have been described as 'considerable,' are believed to have been designed to keep members of the force happy. Many policemen have been resigning and turning to more lucrative jobs with security firms.

It is believed they have also been designed to attract younger members of the public into the police force.



# Mixed reaction to police pay hike

25/ 355 22/4/80

**JOHANNESBURG** — Police yesterday greeted their new salary scales — an average of 12,5 per cent higher — with mixed feelings.

Least satisfied with the new scales of pay were constables, who receive on their top scale only R420 a year (or R35 per month) more.

Most other ranks received an average increase of about 12,5 per cent, which means a top scale captain will take home R120 more each month and a top scale colonel R150 more.

The Opposition police spokesman, Mr Ray Swart, said the salary rises, although welcome, were in no way adequate and would do little to prevent commerce and industry from luring men of lower rank out of the force.

He also said the gap between white, Coloured, Indian, and black policemen was still "considerable and unreasonable".

The majority of policemen would not comment on their increases but former members of the force said the salaries would cause an escalation of resignations by members hoping the increase

would justify their staying on.

They said if there were crime problems they would come from cities, where industry and commerce lure men away.

The Minister of Police, Mr Louis le Grange, said although he was not entirely happy with the increases he felt they were reasonable. — DRC

## What police will earn

	OLD SCALE	NEW SCALE
Constable .....	R3 100 — R3 600	R3 415 — R3 620
Sergeant .....	R3 600 — R3 800	R3 675 — R3 810
W/O .....	R3 800 — R3 850	R3 675 — R3 850
Subaltern .....	R3 850 — R3 900	R3 775 — R3 900
Captain .....	R3 900 — R4 200	R3 900 — R4 200
Major .....	R4 200 — R4 500	R4 200 — R4 500
1st/Lieutenant .....	R4 500 — R4 800	R4 500 — R4 800
Colonel .....	R4 800 — R4 900	R4 800 — R4 900
Brigadier .....	R4 900 — R4 900	R4 900 — R4 900



The time has come for the foreign investor. The machinery of management. No one will be quality. Otherwise, the system.

As far as I know, there directors. It is sad indeed their livelihoods, have fa ships. This has left the largely to be enlightened panies even fail to brief Black community. I have almost solely with Black come. On his arrival th had been donated by .

## WHITE CONTROLLED CORPORATE BODIES

It, therefore, seems that the creation of more black controlled corporate bodies could change the attitude of the youth to the free enterprise system because "the people shall share".

Whereas the successful individual businessman is suspected of being probably a cheat or shrewd, Black-owned corporate bodies are viewed differently. This is particularly so with the Atribank which the youth NOW proudly regard as OUR Bank. I have said NOW because when funds for the Atribank were being raised, students were against it and they called it the Blank Bank. At that time, the proposed shareholding was 49 per cent for the Black public, 21 per cent for the Homeland Governments and 30 per cent for the White Banks. The majority of people added 21 to 49 and got 70 per cent for Blacks. The students maintained that Homeland Governments were under Pretoria and they thus added the 21 to 30 giving Whites a 51 per cent control, hence the name Blank Bank, because they maintained those who were in leadership were blank. When the Homeland Governments failed to buy, and the Blacks took the 21 per cent, the students gave the Atribank their unqualified support and members of the Black Conscience Movement even applied to work for it.

## BLACK CORPORATE BODIES.

The White sharks in Black business are the major culprits of tarnishing the image of capitalism. Once upon a time, a major retail clothing company, doing roaring business with Blacks had a ledger fee payable by those opening an Account in their Black clientele divisions but did not have these ledger fees in their White stores! It is common practice with furniture dealers too. Their furniture in Black stores costs more than in their White stores. What is annoying with this whole business is that the directors of some of these stores are well educated South Africans and not the third grade immigrants who want to make quick money and leave the country. The White business sector has to correct this lest it too be accused of being persecutors of the free enterprise system.

## WHITE BUSINESS.

A strong investment for a better image for Black business is to tell the youth about these duties and responsibilities of a businessman. PANDA is fully prepared to avail its pages for objective information on business and the advantages of the free enterprise system. In ten years time the enterprising readers of PANDA will be the same age as when Dr. Douglas Roberts started Roberts Construction.

The entrepreneur is motivated in the same way as the

Sen. D. Horwood.

the man on the shop floor must have the feeling that for him or his children there are no insurmountable barriers between a skilled job and a managerial or an entrepreneurial function of life.

# Teachers No to pay scales

EAST LONDON — The new salary structure for teachers is unacceptable to the Federal Council of Teachers' Associations.

And teachers here believe that the "unacceptable" new scales may mean salary increases as low as between five and 8,5 per cent.

The Federal Council said in a statement issued yesterday it found the new salary structure unacceptable and gave three reasons for its finding.

These were the need for recruiting enough suitable candidates to be trained as teachers, the fact that suitably trained candidates and acting education personnel must be kept in the profession, and the importance of a positively inclined and motivated teachers' corps.

In view of this, the Federal Council had con-

vened a press conference in Pretoria on Thursday where the council's viewpoint would be fully explained and motivated, the statement said.

The Federal Council, which represents white teachers' associations in South Africa and South West Africa and is the only body allowed to make representations on behalf of teachers to the government, met here on Saturday.

The council then had insight into the new salary scales made available by the Minister of National Education on a confidential basis.

Circulars containing full details of the increases were posted to educational institutions throughout the country yesterday, but local teachers were still in the dark about the new deal last night. — DDR



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## Step to close wage gap

AT a cost of R500 000 a year, the Johannesburg City Council is to take another step in its 10-year-long programme of closing the wage gap.

The chairman of the management committee, Mr J F Oberholzer MPC, said in a statement yesterday council will on Tuesday be asked to approve the closing of the wage gap between comparable graded, or monthly paid, posts.

The move will affect 933 coloured, Indian and black council employees in posts varying from traffic inspectors to public health nurse and ambulance assistant.

In his Budget Speech last June, Mr Oberholzer said provision had been made for the Staff Board to evaluate graded posts with a view to closing the wage gap for comparable posts.

Because of the shortage of black bus drivers, who are non-graded and paid weekly, they were also included.

The new scales will probably be introduced on May 1, but will be retrospective from January 1.

Professional posts have been on a par for some years, and since 1970 the council has, in stages, worked towards equal pay for equal work, said Mr Oberholzer.

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# Teacher outcry expected

24/4/80

322

355

PRETORIA — The teacher outcry against the new salary scales is expected to escalate when full details of the new scales become known.

A thorough computer assessment of the new scales has been made and this shows the average increase for the mass of the teaching force in categories A to G in post level one — about 50 000 teachers are involved — is less than 14 per cent.

This, Transvaal Teacher Association sources said yesterday, must be seen against a background of the fact that these are the first teacher rises for two years. Teachers missed

of his scale gets an 11,9 per cent rise, and at the top 9 per cent — an average of 10,45.

Principals of large preparatory schools at the beginning of the "C" scale will get rises of 13,2 per cent and at the top 5,95 — an average of 9,95 per cent.

Discrimination has been rubbed out at the high school principal level, where women will earn the same as men.

Bitter criticism of the increases given at the senior end of the scales is expected.

A primary school headmaster in the "C"

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## Minister's pledge on new pay scales

# Parity in salaries for top teachers

THE Minister of Education and Training, Dr Ferdie Hartzenberg, said he had established 'beyond any doubt' that the new salary scales for teachers brought about salary parity between white and black teachers in the top ranks and narrowed the existing gap in all the other ranks.

'As announced previously, the new salary scales for teachers are being distributed to all schools as confidential information,' he said in a Press statement.

'As a result of speculation in the media, the following general information is made public.

'The Government has committed itself to narrowing the wage gap as and when new salary scales are announced.

### NARROWED

'I have established beyond any doubt that the new salary scales bring about salary parity in the top ranks and that the existing gap is narrowed in the case of all other ranks.

'It is thus clear that the Government fulfilled its promise, within the limitations of available funds.'

Dr Hartzenberg said a new common key scale had been instituted for all population groups.

'The direct result of this is improved salary scales for teachers and a notch-for-notch adaptation from the former scale to the new scale.

'The latter principle has advantages for serving teachers because effective recognition is given to years of service.'

### SOURCES

According to other sources the amount allocated for improvements in teachers' salary scales is higher than that asked for by the Federal Council of Teachers.

The improvements in salaries should be seen as a package deal including an extra month's salary and the actual increases in monthly salaries announced in the Budget, it is learnt.

In September last year the teaching profession requested an increase of R107-million.

On September 24 1979, after an interview with the Prime Minister, Mr P W Botha, the Federal Council announced that

part of the salary improvement package would consist of a service bonus equal to one month's salary.

### R122-m

The total improvement, including that announced by the Minister of Finance, Senator Owen Horwood, amounted to R122-million instead of the R107-million originally requested.

At the request of the profession the biggest improvements were made to the salaries of educationists other than departmental heads or principals, namely, teachers.

While the profession had requested an improvement of 19.1 percent in the salaries of ordinary teachers, who comprise 84 percent of the profession, the actual improvement amounts to 26.4 percent.

### REAL MONEY

In terms of real money the increases for the profession as a whole amount to 19.5 percent.

Teachers' salaries have been increased by 26.4 percent, those of departmental heads of primary schools by 15.8 percent, departmental heads of high schools by 18.1 percent, principals of smaller primary schools

18.1 percent, principals of larger primary schools 16.9 percent and principals of large high schools 18.7 percent.

According to available information the vacancy situation for white teachers is at present 0.9 percent for the whole country.

A shortage is most prevalent among science, mathematics and biology teachers on the Witwatersrand.

### SOLUTION

Sources say the solution would appear to lie in differential service conditions for such teachers, but this is unacceptable to the teaching profession as a whole.

The present structure was determined by the teaching profession itself. It is a flat structure which allows little room for career progress, they say.

It has been pointed out that departments and recognised personnel associations annually get an opportunity prior to April 30 to suggest and ask for improvements.

It is not possible to resolve points of contention immediately. It is a longterm process, according to sources. — Sapa.



Engineers and salesmen score

# SOARING SALARIES!

SUN TRIB (FIN) 27/4/80

175  
355

EMPLOYERS are scrambling to fill the growing list of vacancies but with diminishing success.

This has led to a salary explosion for salesmen, engineers, surveyors, draughtsmen, artisans, managers and others.

The skills shortages, which threatens to throttle the expected alarming business economic upsurge, is leaders. Dr Shlomo Peir, managing director of Anglo American Insurance Holdings, says the shortage of trained people will lead to bottlenecks and push the inflation rate up to about 16 percent.

Response to advertisements in South Africa has dropped and employers are being forced to look overseas to fill vacancies.

PE Consultants, Michael Lane, who has returned recently from an exploratory trip to Australia, says professional men in that country are fed up with trade unionism and are interested in moving to South Africa.

PE Consultants and Executive Search are two companies that are looking increasingly to overseas recruitment. In the public sector, Escom expects to meet its large skills requirements from overseas sources until its own training schemes are in full swing in a few years.

Employers are afraid of losing staff and salaries in many fields are soaring. Artisans earning R600-R700 a month only last year are

By JACK BRICKHILL

now taking home more than R1 000. Salesmen, too, are in big demand. Ron Seymour of Executive Search says a salesman earning a gross R800 six months ago is now getting R1 500.

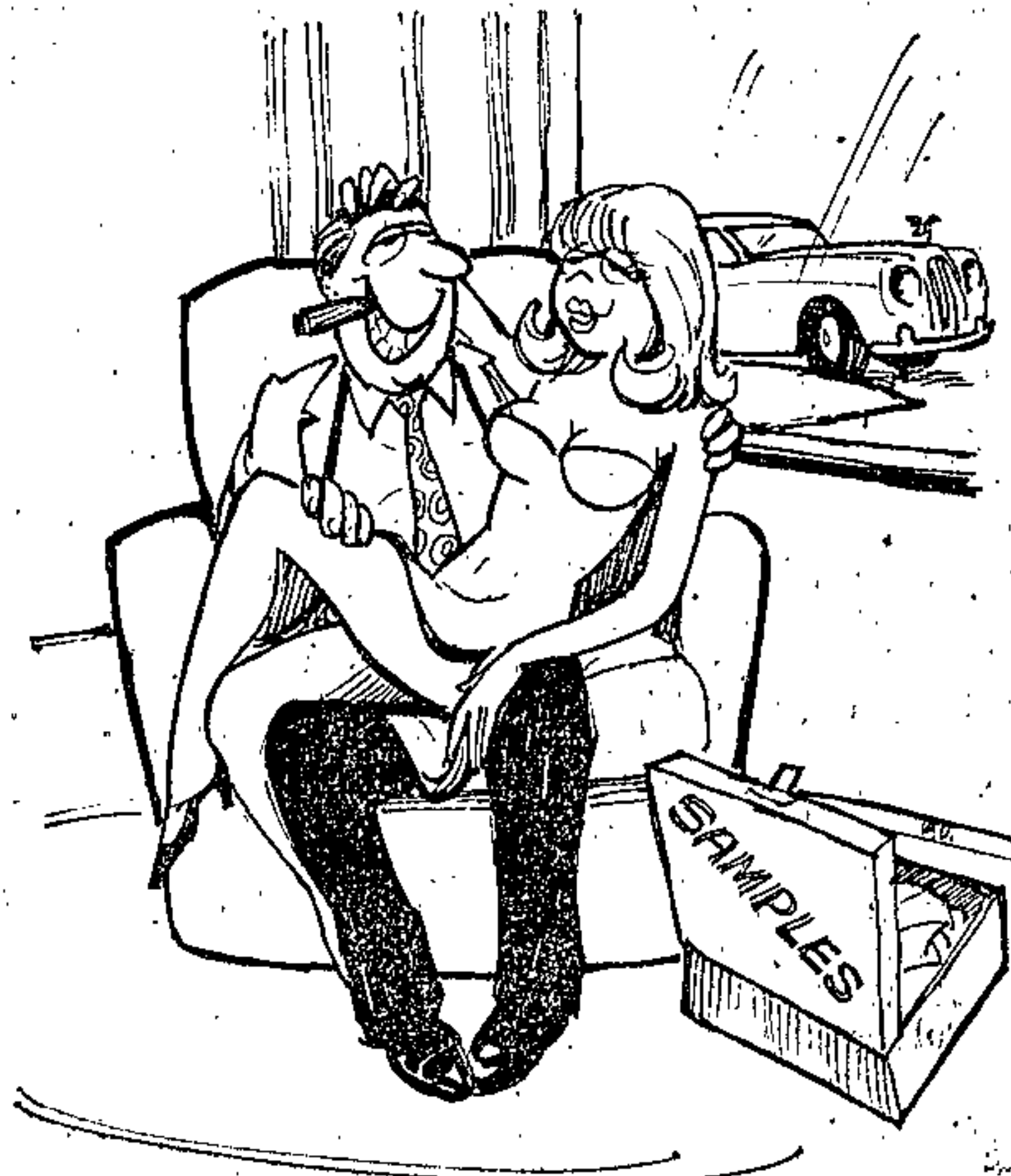
Civil engineering employers complain that the shortage of engineering surveyors has pushed up salaries 50 percent to more than R1 000. Steelworkers, who recently enjoyed increases, are already looking for another 25 percent. Qualified bricklayers and carpenters are earning 70 percent more and

general staff salaries — bookkeepers and clerks — are 11 percent up in the July to February period.

Engineers are a precious breed. A personnel consultant says: "These days, they conduct the interview to see if the employer matches up to their needs."

One of the problems arising from the shortage is premature promotions or downgrading of jobs.

Salaries in Natal are now on a par with those in the Transvaal including the Witwatersrand. But Natal salaries are still about 10 percent lower than those in the Witwatersrand alone.



This is the life, fat salaries, big commissions and lots of perks





**Mr. Franklin Sonn, president of both the CTPA and UTASA, who says teachers want salaries equal to whites in all categories.**

# Teachers say they want pay parity

355 S. Sonn (S. Sonn) 27/4/80

**THE NEW salary scales for teachers show a considerable narrowing of the gap between salaries of white teachers and their coloured and Indian counterparts.**

However, the president of the Cape Teachers Professional Association (CTPA), Mr Franklin Sonn, Rector of the Peninsula Technikon, said his organisation would never be satisfied until the gap has been completely "eliminated", not only "narrowed".

On average, it would appear that, in certain senior categories, Indian and coloured teachers will now receive 92 percent of the white scale.

A principal at an "average-sized" high school, with three years in the post (Category D) will earn R14 100 a year — an increase of R2 100.

A primary school principal in Category D, with three years in the post, will have his salary increased from R10 800 to R12 750.

Apart from monthly salaries, in future, all principals and teachers will receive a sum equal to one month's salary as annual bonus.

## **Vacation bonus**

In the past, single male teachers and all female teachers received a maximum vacation bonus of R100 in September, while married males received a maximum of R200.

The government has also dropped discriminatory salaries paid to male and female principals of certain high schools. As from April 1, all principals of S1 schools will receive equal salaries.

Mr Sonn, who is also president of the Union of Teachers' Associations of South Africa (UTASA), said he had not been officially advised of the new salaries structure yet.

He said, however, that what he had learnt of the new salary structure had made him concerned, because parity had been reached in senior posts only, which could cause dissatisfaction among teachers in the lower grades.

"Our demand is for parity at all levels, and we will not accept anything less," said Mr Sonn.



# Teachers

(Continued from Page 1)

received R122-million, which included a 13th month bonus cheque.

The federal council's position was that they had been left out of last year's 10 percent increase to public servants and that this should be put right.

Once this had been settled they wanted increases this year which bore relation to those agreed on for the public service, the Minister said.

Mr Janson said it was unlikely, though not impossible, that further adjustments for teachers could come before next year's Budget in response to the present row.

The Prime Minister and Minister of Finance had insisted that fragmentary increases in the public sector led to the very problems of competing sections now being experienced.

Representations for increases in the next budget should start now.

Mr Janson said he was to see the four provincial administrators on May 12 about teachers' pay and other education problems.

The appointment of a commission of inquiry into the problems was still on the cards.

Six weeks ago the Cabinet discussed the question of a commission and I asked them to wait for the reaction of the federal council to the increases announced in the Budget.

I was instructed to speak to the administrators and come back to Cabinet on the question of the advisability of appointing a commission on the basis of the teachers' reaction and the administrators' position.

Commenting on the cancellation of Saturday's talks with teachers, Mr Janson said: "The meeting was called off but negotiations have not been broken off."

Mr N. M. Paterson, chairman of the Federal Council, said the statement that in the recent salary increases teachers had received more money than they had asked for was given great publicity and showed up the Federal Council in a most unfortunate light.

"We therefore welcome the Minister's repudiation of this so-called fact. His action is what we expected of him."

## HONESTY

"The Federal Council's dealing with the Minister and his department has been characterised by honesty and straight dealing and we will be pleased to resume negotiations with him immediately," he said.

Mr Paterson said the Federal Council deplored the fact that such untrue

# Janson: Leaked figures wrong

Political Staff

The Minister of National Education, Mr. Punt Janson, today repudiated official figures about the extent of teachers' pay rises.

In the latest development in the row between the Government and teachers, Mr Janson virtually put himself in the camp of the teachers by describing some official figures as "incorrect and unfair."

He said: "The teachers' objection to the figure of R107-million, which they are said to have asked for, has my fullest understanding. At no stage did they bring up this figure."

But I am not in a position to agree with or to dispute the percentage increases given in the document. These are only now being evaluated by me and the department."

The Government figures — leaked to the Press — claimed much higher percentage increases for teachers than those worked out by the Federal Council of Teachers' Associations.

They caused angry teachers to call off talks with Mr Janson on Saturday. It has not been established who drew up the figures in the unsourced

document, handed to the Press by a government official.

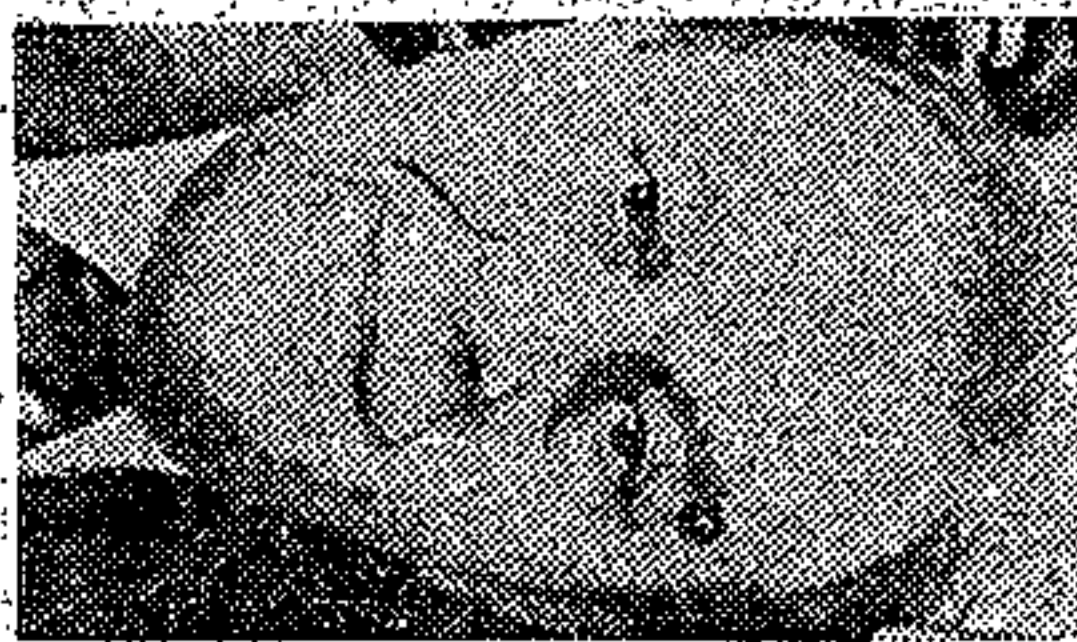
Mr Janson said today the figures were definitely not from his department, and his efforts to find out where they came from had been unsuccessful.

Nobody I have spoken to accepts responsibility for these figures, he said. The matter may be raised by the Opposition in the debate on the Prime Minister's vote, which starts in the Assembly today.

who drew them up. There has been speculation that the figures may have been drawn up by either the Prime Minister's Department or the Treasury but both have denied responsibility.

Mr Janson agreed today with the chairman of the Federal Council of Teachers' Associations, Mr N. M. Paterson, that teachers had not asked for a specific amount in negotiations for increases.

The Government figures claimed they had asked for R107-million and had



Mr. Janson

(Continued on Page 3, col. 2)

See Page 7.



# PM shuts lid on teachers' pay hopes

**THE ASSEMBLY — Any hope of further teacher salary increases this year has been firmly ruled out by the Prime Minister, Mr Botha.**

However, this did not rule out representations for next year, he said yesterday.

Mr Botha's stand has been criticised by the opposition's chief spokesman on education, Dr Alex Boraine, who said it was extremely disappointing.

"It is tragic that the Prime Minister has seen fit to intervene before the negotiations between the Minister of National Education and the teachers' representatives are complete," he said.

Speaking during the debate on his department, Mr Botha said he had made certain undertakings to the teaching profession last year and they had all been met.

He said, however, it was

unfair to see the recent increases in isolation and they should be considered together with other things, such as personal tax cuts, a month's salary bonus, new scales and differentiations.

"The effect of some of these matters has not yet been felt," said Mr Botha.

The government regarded the teaching profession as of the greatest importance but the profession would not be served by exaggerated debate.

It had to be considered that teachers' salaries could not be handled on a fragmented basis.

Salary increases could only be made in the economic limits of the country and he hoped that the campaign on teachers' pay would now end, Mr Botha said.

Later, Dr Boraine said in a statement that teachers who had been shabbily treated over the years "will rightly be upset and frustrated at this decision."

Recent statements by the Minister on National Education had held out some hope of further relief but the Prime Minister had now "slammed the door in the face of the despair and disappointment of the teaching profession."

Mr Botha's attitude and his "unsatisfactory" statements about a controversial document on salaries stressed the need for a commission of inquiry into the profession.

— PS.

## GENERAL NEWS

# Inflationary wage boom could pose economic threat

STAR 2/5/80

453

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## Political Staff

CAPE TOWN — There is growing concern in Government and other political circles about the danger of a "wage explosion" following the public service salary increases.

It is feared that a wave of salary increases at disproportionate levels could boost inflation to the extent where it could become a serious threat to the economy.

However, the Secretary for Finance, Dr J H de Loo, believes the private sector salary increases at

this stage are still within reasonable bounds. While public service salary increases averaged 12 percent, he believes most private sector increases will not exceed 15 percent.

It could be that in the highly skilled job sectors there would be a much larger increase because of these workers' greater bargaining power, Dr de Loo said. But information received by his department was that some companies' increases were less than ten percent.

The Government was trying everything possible to remove the bottle-necks causing high salary demands by stepping up training programmes.

He also believed salary increases could be limited in view of the fact that tax concessions could strengthen people's buying power to about 25 percent if added to salary increases of 15 percent.

The Opposition's chief spokesman on Finance, Mr Harry Schwarz, said the reason for the salary demands was the high inflation rate of about 14 percent and the expectation that it might rise even further.

Another reason was that the country was starting to experience the consequences of the bottle-necks of skilled workers. The Government had failed in its planning for the training of skilled workers he said.

He added that a dangerous aspect was that the salary demands were being made even before the price increases of recent weeks had worked their way through.

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# FINANCE

## BIG SPENDING BOOM FORECAST FOR MID-1980

Financial Editor

A RIP-ROARING consumer spending boom later this year is forecast today by the Bureau for Economic Research at the University of Stellenbosch. But it warns that it could result in greater inflationary pressures.

The bureau says the economy will begin to feel the effects of last year's higher gold price only by the middle of this year.

This is when the economy will begin to show the effects of the higher salaries and wages as well as the tax cuts announced in the last Budget.

The result will be that the buying power of consumers will increase substantially, which should lead to a sharp rise in demand.

### SALARY BILL

The bureau estimates that the salary and wage bill this year could be 21 percent higher than last year. It also expects that farmers' income will rise by about 20 percent.

Altogether, after taking account of tax cuts, personal disposable income is expected to rise by about 22 percent this year, resulting in real disposable income rising by about 5 percent.

This will form a sound basis for a further accelerating in consumer spending, the bureau says.

### DURABLE GOODS

It expects spending on durable goods to increase by 8.6 percent this year after rising by 6.4 percent last year, spending on semi-durables to rise by 6.7 percent from 1.2 percent, spending on non-durables to rise by 3.9 percent after 2.4 percent last year and spending on services to rise by 4.3 percent after 3.0 percent last year.

This should lead to an acceleration in private fixed capital investment.

### INFLATIONARY

However, the bureau warns that the increase in consumer demand later this year could lead to increased importations of

vity increases by the same percentage, — which seems unlikely.

The higher demand for goods will be transformed into a higher demand for skilled workers and

because they are in short supply their wages are bound to increase. The inflation rate will be difficult to control and is unlikely to be lower than last year.

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# Sigma's Wages go up

By JOE THOLOE

THE SIGMA Motor Corporation will increase its minimum pay from 65c to R1 an hour from Saturday.

Workers in the higher grades will also get increases varying according to the grade, bringing the workers getting increases to almost 3 000.

The increases are the result of an agreement the corporation has just negotiated with its liaison committee.

In a statement yesterday Sigma's Roger Houghton said: "The minimum wage of R1 an hour will apply during the eight-week training period and the worker's wage will then go up to at least R1,04 an hour. This could be higher, depending on the job to which the worker is transferred after the training period."

## LIVING LEVEL

"Increases for other black hourly-paid workers vary according to grade, with the smallest increase being 16 percent."

Mr Houghton said Sigma's wages were now highly competitive in the Pretoria area. And the minimum wage was well above the Government's minimum living level and approach the supplementary living level of the University of South Africa.

Up to now the minimum pay in the motor industry in the Pretoria area has been lower than that in the Port Elizabeth-Uitenhage area. The official minimum wage in the Port Elizabeth-Uitenhage area has been R1 since August last year.

But the three companies there — Volkswagen, Ford and General Motors — are in fact paying R1,15.

An official of the National Union of Motor Assembly, Rubber and Allied Workers and its sister union the United Automobile, Rubber and Allied Workers, yesterday said the unions were negotiating to have the PE minimum increased.



# CPC names 'not delayed'

Political Correspondent

THE Minister of Coloured Affairs, Mr S J M Steyn, said today the announcement of members of the new Coloured Persons Council had not been delayed.

Answering questions put by Mr Colin Eglin (PFP Sea Point), Mr Steyn said an announcement would be made 'as soon as a decision has been reached.'

The answer was read out in the Assembly on Mr Steyn's behalf by the Minister of Industries, Dr S W van der Merwe.

Mr Steyn had said members of the nominated body would be announced by the end of April.

He had also said his office had been inundated with applications from 'good people' who wanted to serve.

Mr Eglin said it was 'a very strange reply.'

'It appears the Government is running into difficulties in finding people to serve on the CPC.'

'Clearly if the CPC was to have any value it should have been appointed immediately the CRC was disbanded on March 31.'

# Police pay a disgrace says Swart

9/05/80  
287  
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Parliamentary Staff

RECENT police salary increases were a 'total disgrace' and an insult to the South African Police, Mr Ray Swart MP, official Opposition spokesman on police said today.

Speaking during the Police Vote in Parliament, Mr Swart, said the low increases had placed the police force which was constantly below strength, in an intolerable position.

'The increases offer little hope in stemming the growing tide of resignations from the force and offer little hope of encouraging a flood of new recruits...' he said.

Mr Swart also strongly criticised the different wage scales for different race groups on the same rank.

## INVIDIOUS

The position was 'totally invidious and is not conducive to good relations between the various racial groups even in the upper echelons of the police force.'

Although the increases had been more favourable to the upper ranks than the lower ranks there was a totally unrealistic assessment of work and responsibilities.

He pointed out that a white constable now started at R201 a month, a coloured or Indian constable at R200 a month and a black constable on R120 a month.

## COMPARISONS

The poor rates of pay became clear when compared with salaries in other fields of employment.

'I would say in general terms that in the city office, the office messenger who delivers the mail and licks stamps and takes post to the post office receives a salary today in excess of R200 a month.'

A navy deckhand received R250 a month which was also the starting salary of a navy typist and library assistant.

STAR 10/5/80

# Pay carrots beat staff shortages

183

175

355

Twenty - three - year - old bank clerks earning R850 a month are being lured away by stockbrokers offering R1 500 a month (plus bonuses), computer systems analysts are being offered R20 000 a year (plus a car), and computer managers are being enticed to new jobs for R30 000 a year.

When all this is taken into consideration, the Bureau for Economic Research's forecast of 20 percent pay increases seems small.

## BUILDING

In the building industry the bill can be expected to be well above this average. Russell Jackson, speaking for Merbuild, said he expected an escalation in building to the order of 30 percent in the current year, with labour accounting for 40 percent of the component costs.

Private house-building is booming. But as there is no meaningful influx of whites into the trade, things will become difficult. Blacks are becoming skilled, but they do not have the entrepreneurial leanings of sub-contractors.

From March 1978 to March 1979, the average pay increase for blacks in the building industry was 7,9 percent and from March 1979 to March 1980 a further 10,07 percent.

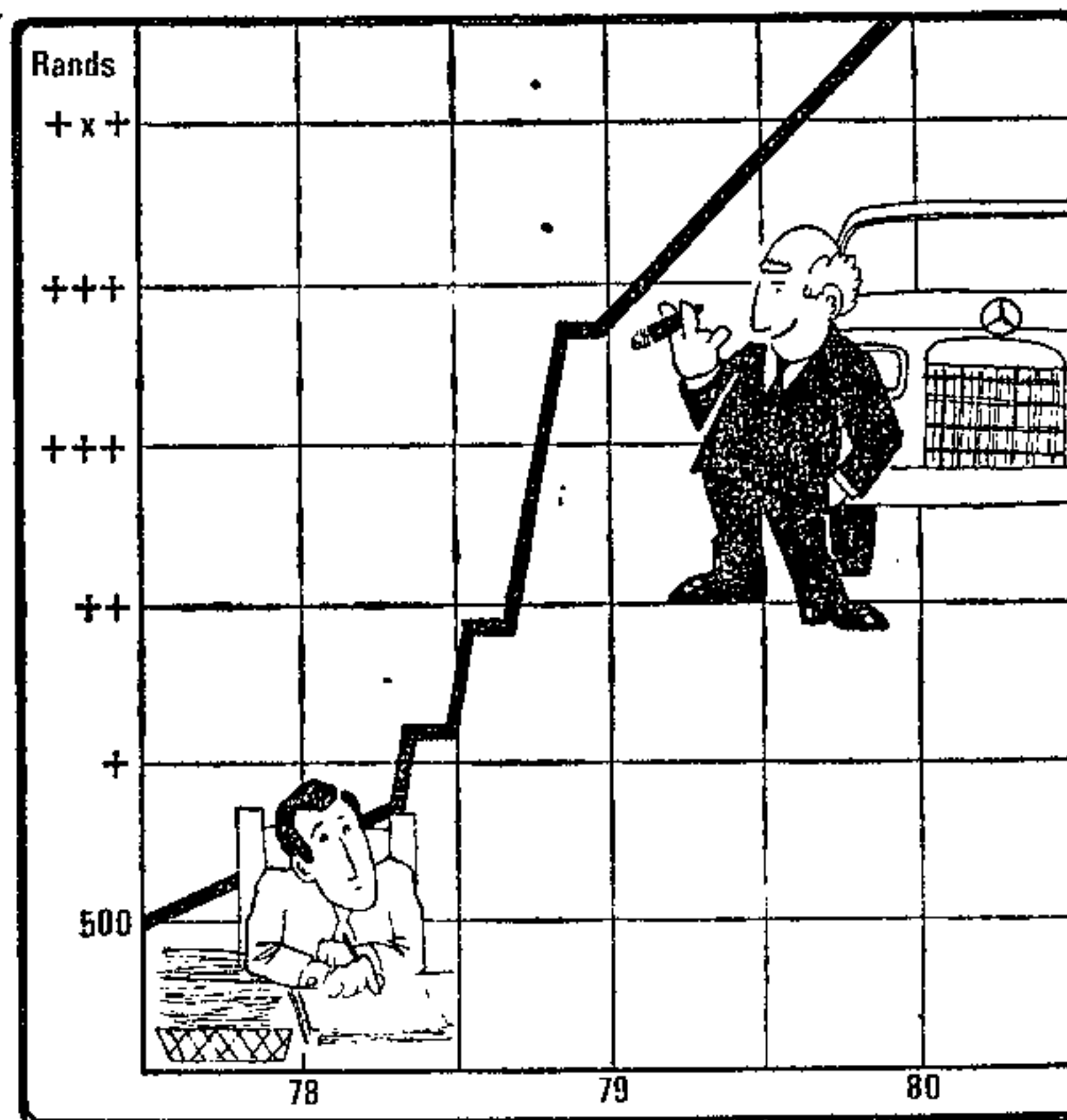
In comparison, white salaries increased 22 percent from March 1978 to March 1979 and 15 percent from March 1979 to March 1980.

The average salary for whites in March 1978 was R749 a month, in March 1979, R787 and in March 1980, R781. The wage average reduced in the past year because there were fewer skilled workers in the industry.

Assocom thinks the increase in the wage and salary bill will stem mainly from previously unemployed people now finding jobs. But it is not just among blacks.



Jean Moon looks at job-poaching



White married women who were previously unable to find part-time employment, can now take their pick of companies desperately needing help.

A large chunk will go to Government employees who have already been granted pay increases.

On the Railways alone, there are 113 449 whites employed, 125 690 blacks, 1 836 Asians and 24 600 coloured people.

In the Post Office there are 75 000 employees; in the civil service more than 300 000; the Provincial Administration 236 000, and in local authorities more than 200 000. All these people have been granted pay increases up to 13 percent, which goes a long way to accounting for a 21 percent rise overall.

The demand for skilled

and semi-skilled workers is outstripping supply, so when he sees attractive salaries offered, the average employee feels underpaid and decides to move on. But then the gap left by him must be filled, and the employer is forced to offer an equally attractive salary scale to fill it.

A spokesman for the Standard Bank feels that 21 percent is perhaps a little too high, "but it is close" he added.

The bank is finding the market more fluid and volatile and agrees that there is much inter-organisational poaching going on.

Large banks are more susceptible to poachers because of their well-established training programmes and staff disciplines.

The number of bank employees is rising and banks are using a wider range of personnel in clearing capacity with the planned programme for training black and coloured staff in this area being stepped up. But so far this growth is only being felt in two or three regions.

The dramatic rise in the cost of housing has caused complications with regard to the transfer and mobility of staff.

Murray and Roberts has not yet suffered from poaching of skilled workers, but as one of the largest employers in the industry, it is a target for other employers looking for staff. The pressure is there.

A spokesman for the group feels that an estimated 21 percent rise in the wage bill is a fair assessment. All employer bodies with which it deals are faced with substantial wage increases and 13 to 14 percent increases over the year can be expected. Certainly, more people are being employed within the industry as a whole at higher wages and salaries.

The 21 percent estimate appears high to the Chamber of Mines. Last month, miners were granted increases but, taking into consideration natural expansion within the industry and the larger number of employees to be paid, the Chambers' estimate is something above 12,5 percent, but not as high as 21 percent.

As a growth industry mining is still attracting employees. But the biggest problem area is the acute shortage of skilled people. Anyone with the necessary qualifications is grabbed, but the critical bottleneck still remains.

When Sasol was asked to speak on the subject, "No comment" was the reply. "We are reviewing and re-reviewing the situation," said a spokesman.



Argus 10/5/80 355

# Do white schoolteachers deserve better salaries?

IF white teachers receive low salaries, may I suggest that it is as much as they deserve? The purpose of our education system has been corrupted under Broederbond control to serve in preservation of apartheid.

No white teacher was heard to protest when Dr Verwoerd said 'racial relations cannot improve if the result of Native Education is the creation of a frustrated people who, as a result of the education they receive, have expectations in life which circumstances in South Africa do not allow to be fulfilled . . . when it creates people who are trained in professions not open to them . . . Good racial relations cannot exist when the education is given under the supervision of people who . . . believe in a policy of equality'.

The Biblical injunction 'the truth shall make you free' is interpreted by our education authorities as a warning, and their fear of freedom has led to a distortion of truth. History books in the 'coloured'

schools even record the founding of the CRC as a historical event.

No wonder our history books require regular re-writing a la Stalin.

Recently a young man was sentenced to death for rape. He had been educated to Std 2. Did any teacher contemplate the connection, or the thought that he was more a victim of our society than its enemy, or that every R1 spent on education avoids the need to spend R2 on crime control and military hardware?

White teachers are content to participate in a segregated education system that spends 10 times as much on a white student as on a black

student, and then claims that black people cannot be allowed to vote because they are insufficiently educated.

No Technikon lecturer has publicly refused to teach in the proposed District Six Technikon, although the theft of this land is as shameful as the destruction of the Warsaw ghetto.

White students grow up without a single black friend because ignorance is necessary to preserve prejudice. Even their sports meetings against other schools are segregated.

The teachers participate without protest.

It is tragic that our young people come into contact with one another for the first time when they are pointing guns at one another on the 'border'.

When teachers contribute towards children growing up to the realities of the society in which they will have to live, then those teachers can demand a higher salary. In the meanwhile, inadequate education deserves inadequate reward.

BRIAN BISHOP  
Oranjezicht

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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- Keep letters short.
- Sign your letters.
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## NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

## WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

# Salaries rocket in key sectors

Sun Times 18/5/80 355

By STEPHEN ORPEN

SALARIES for employees in key industries have "exploded" in the past few months, with serious implications for company profitability and the inflation rate.

This is the message from a new countrywide monthly salary survey, covering 10 000 employees and 200 major national and multinational companies.

The survey is the first in a series of new analyses of key sectors by the Personnel and Executive Placements Group (PEP), based in Johannesburg.

The first survey covered three main categories — artisans, engineers and technicians — in the construction, mining, engineering and electronics industries.

The results are startling. They show that, compared with January, the supply-demand gap for personnel in the sectors concerned widened substantially in April.

In sympathy, wages and salaries leapt an average of 10% in April alone, while staff turnover climbed 17%.

PEP executive director Paul Langerman attributes the new developments to the quickening in the economic upturn.

He adds that public sector increases have been an important catalyst, creating a "ripple" effect. But the major reason for the take-off in pay has been job-hopping, coupled with the basic scarcity of suitable personnel.

"Bargaining and bartering is creating salary levels which are, frankly, out of all proportion to the value of the manpower."

Typically, a 30-year-old engineer, with between five and eight years experience, can now command R16 000 to R19 000 a year, on the basis of the April salary returns.

Likewise, a technician is receiving up to R14 000 and artisans up to R16 000.

The cost of replacing men lost to poachers is now a staggering R33 000, R18 000 and R13 000 respectively, taking into account recruitment, orientation and training costs.

Moreover, respondents to the survey expect still larger pay rises in coming months.

Fortunately, the pay rises have been accompanied by a significant swing to double and even triple shift work, so that worker output has increased by an average of 24% across the board.

Mr Langerman feels it may not be long, however, before productivity increases are eclipsed by the pay explosion and company profitability will then suffer.

He is also worried by what may happen when demand slackens and companies are left with insufficient throughput to sustain their higher salary structures.



# Nurses 'talking of strike action' over poor pay

Argus  
27/5/80

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Parliamentary Staff  
RESIGNATIONS from  
the nursing profession  
were continuing in spite  
of recent salary in-  
creases and there was  
talk of strike action, the  
Assembly was told yes-  
terday.

Opposition speakers war-  
ned the Government  
that a crisis was  
threatening in medical  
and health services in  
South Africa.

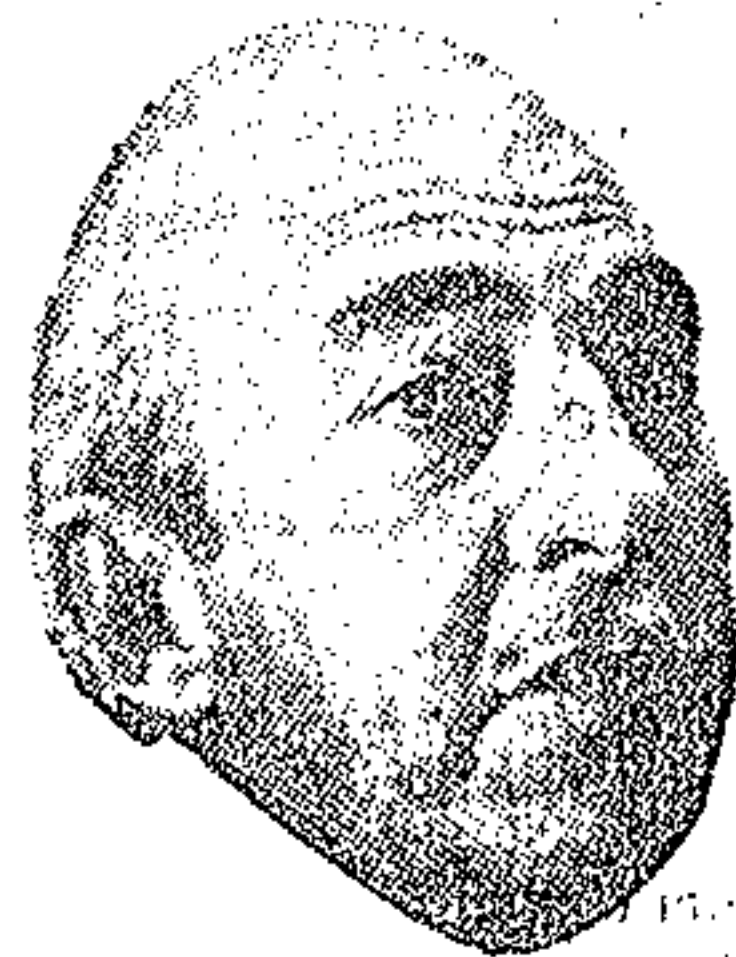
Mr Nigel Wood (NRP,  
Berea) said that in spite  
of recent increases,  
nurses' salaries were  
still not near to being  
adequate for the respon-  
sibilities they carried or  
the type of skilled work  
they did.

They deserved 'at the  
very least' salaries that  
compared favourably  
with those paid by com-  
merce and industry.

'The hard work, difficult  
hours and dedication  
they show do not pay  
their bills,' Mr Wood  
said.

He suggested that a quali-  
fied nurse should be  
paid at least R500 a  
month or R3 an hour.

Mr H E J van Rensburg  
(PFP, Bryanston) said



Dr. L. A. P. A. Munnik

resignations from the  
nursing profession were  
increasing and fewer  
people were applying to  
enter the profession.

Nurses were talking of  
striking and of forming  
a new association  
because of their dissatis-  
faction over pay in-  
creases.

Mr van Rensburg said he  
had been told nurses  
were dissatisfied with  
the SA Nursing Associa-  
tion.

crisis in South Africa's  
health and medical ser-  
vices was that the  
people in supplementary  
health services, inclu-  
ding occupational thera-  
pists, physiotherapists  
and nurses, were under-  
paid.

An occupational therapist  
with a three-year di-  
ploma, for example, was  
not paid much more  
than a junior typist.  
And blacks received sa-  
laries that were only  
about one half of the  
salaries of whites with  
the same qualifications  
and doing the same  
work.

Replying, the Minister of  
Health, Dr L. A. P. A.  
Munnik, said not all the  
nurses who were leaving  
the profession were  
doing so because of sa-  
laries.

The nurses' request for  
higher salaries would be  
put to the Minister con-  
cerned.

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# Women teachers: Equal

Argus 28/5/80 ~~322~~ 355

## pay will cost extra R9-m

### Provincial Staff

IT would cost the Provincial Administration an additional R9-million a year to pay women teachers the same salary scales and the same fringe benefits as men teachers, according to Mr W Bouwer, MEC for local government.

Mr Bouwer replied on behalf of Mr F Loots, MEC for Education, to questions put by Mr Ken

Andrew (PFP, Pinelands), in the Provincial Council yesterday.

Mr Bouwer said 19 schools had applied for more generous allocations of reserved posts for permanent employment of married women teachers, and of those seven requests had been granted. The requests granted in each case were for one post in excess of the quota.



# Monica Fairall looks at a study of the politics of exploitation

WHITE mistress  
black servant.

This relationship exists in hundreds of thousands of South African homes today, and probably provides the only significant contact across the colour bar that the employing white family experiences.

It is a point of contact where the "baas" and "missus" endorse or contradict the legislated second-class status for blacks. It is a situation where the children in the home absorb their parents' values and attitudes to blacks. Yet far from being an exploratory, mutually enlightening channel of communication, it is a relationship riddled with fear, guilt, hostility and a depressing lack of humanity.

This is made clear in an in-depth study by Rhodes University sociologist Jacklyn Cock titled **MAIDS AND MADAMS** (published by Ravan Press). In a sample comprising 175 domestic servants and 50 employers in the Eastern Cape (an area

with a generally high standard of living for whites), Ms Cock and her researchers unearthed chilling facts about work conditions and mistress/servant attitudes.

Talking to the interviewees, Ms Cock found a mine of guilt and fear: the former from the employers, many of whom were hostile and unco-operative with some denying they had servants; the latter from the workers who feared repercussions from their employers. Many of the mistresses would be shocked at the gap between reality and what they think is an adequate mistress-servant relationship.

The worst grievance to emerge was that of poor wages. In 225 households, they ranged from R4 (two cases) to R60 (one case) a month. For a working week of at least 40 hours, the average monthly pay was R22.47. Interestingly, the average calculated from the employers' answers was higher: R24.62 per month.

"Although the majority of employers I interviewed claim to be Christian, and belong to a church, few pay their domestic servants a living, let alone a just wage," Ms Cock writes.

One woman was earning R30 a month after 17 years service. In another case, a worker had been "promoted" from R8 to R35 after 25 years service with the same household. Increases in most cases were irregular, and several women said they were too scared of losing their jobs to ask for more money. Usually, there is no bargaining for wages at the start

# MAID TO SUFFER!



of service: the newly-employed servant is told what she'll get.

A common rationalisation for the payment of low wages is that it's an unskilled occupation and that as the servant lives in, a salary is merely pocket money. But Ms Cock points out that an enormous range of demands is made on the worker, including knowledge, trust and responsibility, and that only 16 percent of the servants did live on the premises.

Their accommodation was usually squalid, their "free meals" often strictly rationed, with more than half of them receiving no meat. One domestic was given a single teabag to last two days, while another was dismissed for stealing a

teabag.

Almost one third of the sample worked a seven-day week and had one week or less of annual holiday. Over 80 percent had to work on public holidays. There are seldom extra wages for overtime, no hope of a pension, and live-in servants are frequently expected to be available till all hours of the evening.

The domestic worker doesn't even have the compensation of job satisfaction. The work is a means to an end, a survival tactic, and is usually monotonous drudgery carried on for long hours with little help from mechanised gadgetry. Said one worker: "She does have a vacuum cleaner, but I am not allowed to use it. She said I will break

it. I must kneel."

The grievances of the workers are heartfelt, and although only 14 percent said they didn't get on with their employers, most put on a deferential mask. This disguised their real feelings and enabled them to conform to their employers' expectations — but they are aware of a sense of exploitation (many perceived themselves as slaves) and the structures that maintain their subordination.

Many of the servants felt they were seen by their mistresses only in an occupational role, a one-dimensional perception that denied their human feelings and needs. Employers often took no notice of the worker's family or social life; many didn't know their servant's

full or real names. And the worst people to work for? The "rich", because they are greedy: "Ordinary employers pay better because they know how we struggle with a little money..."

Relationships between employers and servants ranged from that of strangers (despite the intimacy of contact in the work sphere) to mutual trust and caring, but in general they "showed a degree of paternalism with a sense of superiority on the employer's part..."

Many of the employers described their servant as one of the family, but not one of the domestics saw herself in this light — and expressed cynicism as to the use of this phrase. Comments from mistresses include:

"Yes, she's trustworthy... as far as native girls go".

"Very clean".

"She's all right as long as she doesn't drink out of my cups".

Most employers thought their servants were well treated. Said some:

"It's really wonderful that they're willing to work for such low wages".

"In Rhodesia a boy does three times the work these do".

"This is a political question. I'd rather not answer political questions. Our Government is given to us by God".

"You can't compare natives to us".

"Most of them are happy as they are".

A lone mistress admitted: "Sometimes it makes me feel sick with guilt".

Almost 800 000 black women are domestic workers, and Ms Cock describes them as one of the most exploited groups in a society marked by extreme inequality. "They are deprived of a negotiated wage, of reasonable working hours, and of family and social life," she observes, and they have no options regarding alternative employment.

Sexist and racist ideologies together with history, legitimise the women's predicament, and there seems little hope for improvement. "Many white South African children learn the attitudes of racial domination from domestic relationships with servants and nannies," Ms Cock writes, and quotes one white mistress as saying: "It's bad, but we can do nothing."

Perhaps the only light of non-confrontation at the end of this tragic tunnel was offered by one white voice: "Employers should realise that servants are people not animals."



## FINANCE

# KAAPKUN CHIEF URGES FUND TO LIFT WAGES

29/6/80  
355

**KAAP-KUNENE, the Cape Town based fishing group, is to start a new profit-sharing scheme for lower paid workers and it suggests that other companies should do the same to create a R250-million a year pool of funds.**

Announcing this at the annual meeting of the company today, Mr A P du Preez, chairman, told shareholders a strong feeling nowadays was to create an economic system in which every person should have a share in the wealth of the country.

'In spite of this very commendable view, a substantial proportion of workers still earn a living under the basic breadline.

'Businessmen should realise that if we want to retain the capitalist system in this country, something drastic will have to be done.

'The directors of Kaap-Kunene are thinking of and to a certain extent already apply a formula to rectify this unhealthy state of affairs.

### TWO PERCENT

'Such a formula could be for about two percent of profit before tax up to the profit of the previous year and eight percent of any increased profit over that of the previous year to be used to bring earnings of all workers in the group up to a minimum basic income.

'Any surplus could be paid into a national development fund.

'If all companies on a national basis, large and small, embark on such a scheme, about R250-million could be mustered each year.

This could be used in the first instance to bring all workers in urban and semi-urban areas up to a minimum income of about R150 a month and about R125 a month in country areas.

### CONSTELLATION

'A substantial balance could still be left to be paid into the national development fund. Such a fund could be used for economic development in Southern Africa as part of the Prime Minister's move for a constellation of states in Southern Africa,' he said.

Mr du Preez told shareholders the new policy of the company would ensure that their children and grandchildren would earn dividends.

Mr I Goldberg, a shareholder, said the company should be applauded for its new philosophy which

set a lead for other companies.

'I would rather take a lower dividend and survive than a big dividend and disappear,' he said.

Mr du Preez said he was optimistic about the prospects for the fishing industry.

He said he was hopeful the anchovy quota would be raised before the end of this season.

Mervyn Harris



# 26 percent spiral in women's salaries

STAR

8/7/80

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Salaries paid to skilled women office workers nation-wide have spiralled by as much as 26 percent over the past 12 months, according to the latest quarterly survey published by Kelly Personnel.

Statistics released by the consultancy's branches on the Witwatersrand show that a steadily rising demand for top secretarial and bookkeeping talent has pushed monthly pay cheques to the highest levels recorded.

Top jobs for skilled secretaries regularly command R800 a month in Johannesburg, R750 in Kempton Park, R750 in Roodepoort, R700 in Benoni, Germiston and Sand-

ton, and R650 a month in Alberton and Eastgate.

The highest paid jobs for bookkeepers on the Witwatersrand are R800 in Johannesburg, R700 in Sandton, Kempton Park, Alberton, Benoni and Roodepoort, R650 in Germiston and R550 a month in Eastgate.

Secretaries and bookkeepers in Durban, Maritzburg and Cape Town earn R560 a month, R470 and R600 respectively.

Mr Neville Mackay, managing director of Kelly Personnel, attributed the dramatic spiral to the upturn in general economic activity and the relatively static supply of experienced and well-trained office staff. — Sapa.

# Pay claims expected to top record

Pretoria Bureau

PUBLIC sector staff associations and trade unions are expected to submit record wage and salary claims later this year to match what is likely to be an unprecedented level of inflation during the rest of this year and in 1981.

Leading economists, including Barclays Bank's Dr Johan Cloete and Volkskas' Mr. A. S. Engelbrecht, say a rate in excess of 15% at the end of the year is likely, with 17% possible by the time the Budget is tabled in March.

The managing director of Sanlam, Dr Fred du Plessis, said in Johannesburg this week the inflation rate could be 17% by the middle of next year and 20% at the end of 1981.

The total wage and salary bill for the Post Office's 75 000 workers, the Railways' 264 000, the State departments' 315 000 and the provincial administrations' 250 000 workers exceeds R4 000-million.

In April, increases for the more than 900 000 workers averaged about 13%.

The general secretary of the Postal and Telegraphs Association, Mr D Coetzee, said a significant part of the April increases had already been neutralised by the steep rise in

food and other prices since the increases were granted.

Many postal workers felt they were worse off now than before the April increases were granted.

The seven railway unions will submit new wage claims to the Minister of Transport in a series of meetings due to start in September. Union leaders claim the April increases failed to compensate for the price spiral of the previous twelve months.

Their claim will be based on the inflation rate during the second and third quarters of the year and on the expectation for the rest of the year.

Meanwhile, the Public Servants Association has submitted representations to the Commission for Administration.

The president of the PSA, Mr Colin Cameron, said: "We have pointed out the major shortcomings in the increases granted earlier this year. These include inadequate levels of pay at the entrance and middle levels and for certain other categories of workers."

The PSA submission asked that salaries be raised to a level which would enable the public service to compete more effectively on the labour market and to plug the resignation drain.

12/8  
DM  
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**Minimum wage**

**DOES SA need a minimum wage?** The planned survey to emerge from the Volkswagen settlement in Port Elizabeth —

hailed as a major breakthrough for black workers in SA — has brought this question to the fore.

Industry- and government-stipulated minimum wages determine the earnings of more than 60% of SA's black labour force.

The survey — which assesses a decent living wage for black workers — is "a step towards real collective bargaining and a more acceptable standard of living for the majority of workers," says a statement by the Federation of South African Trade Unions.

Union and industry spokesmen agree that PDL figures can no longer be used as a goal for minimum wage rates — a practice followed by the majority of industries during the last decade.

But employers and union representatives are playing tug-of-war about whether there should be minimum wages at all.

**Unemployment**

Many employers argue, as have the Chamber of Mines, VW and Putco in recent wage negotiations, that higher minimum wages increase unemployment. Too high a hike forces companies to consider mechanisation and prices certain unskilled workers out of the labour market.

They argue that an equitable wage structure would emerge if the price of



**Unemployed workers . . . priced out by minimum wages?**

labour was determined by free market forces.

Professor Walter Williams, the American economist who recently visited SA, said: "Minimum wages not only fail to

help the black worker, they hurt him. They make certain workers unemployable and limit opportunities for workers to upgrade their skills through on-the-job training."

Leon Louw of the Free Market Foundation agrees: "It's been proved that increased minimum wages result in greater unemployment. SA reflected this trend during the seventies when black wages increased phenomenally and unemployment rose simultaneously. But obviously there were other factors involved."

**Exploitation**

Given the conditions in SA, employers and union spokesmen argue that black workers need wage protection.

They argue that a free labour market does not exist in SA and that legal restrictions on black workers allow for undue exploitation.

The movement of black workers is controlled by the Environmental Planning Act and the Group Areas Act, while their movement up the skills ladder is blocked by job reservation, the power of the white unions and legislation such as the Black Mine Workers Act.

"Employers and government have to decide whether they want to alleviate poverty or not. Black workers are without recourse to equal negotiating powers and protection. There has been such massive

interference in the market that adjustments have to be made to compensate," says Alec Erwin, general secretary of Fosatu.

He says present unemployment is also aggravating the situation. "Because of the surplus of labour, employers will pay the minimum possible wages."

Jimmy Thomas, general secretary of the Transvaal Industrial Council for the Clothing Industry, adds: "Obviously, the minimum wage must be a realistic one to protect workers from unemployment but it is absolutely essential that unorganised labour, as we have in SA, be protected."

Louw agrees. But, he says, primarily energies should be spent on removing the barriers blocking the free flow of labour. If anybody is to be responsible for low-income earners, it must be government, not employers. "This will cause less disruption."

He suggests a system of negative taxation. "In this way the government would be reallocating resources and protecting the wage interests of the lowest paid worker," he says. A negative tax system would supplement low wages (on a sliding scale) from state revenue.

Erwin also feels that government needs to implement a programme to reallocate expenditure — as well as maintain some form of protection for the lowest paid worker. "With unemployment rife and

high inflation, the problems are too large for companies to deal with individually. The government needs to take a hand."

He feels part of the solution lies in implementing building projects to improve the quality of life as well as to create employment for black workers. He says the shortage of schools, hospitals and houses as well as unemployment could be alleviated through a scheme of this kind.

The question remains an open-ended one. All parties do agree, however, that the most pressing problem is the removal of government and employer restrictions on the growth of black worker organisation and of black worker mobility.

The outcome of this would be that workers would no longer need protection — they would be able to protect themselves.



# 'Underpaid' women quit brickyard jobs

By LIZ MCGREGOR

SEVERAL Crossroads women have quit their jobs in a brickyard because they say they were paid 20 cents an hour — R9,20 a week — after they were promised 35 cents an hour.

However, a spokesman for the firm, the Bellville-based brick manufacturer Brick and Clay Products Limited, claimed the women were told from the beginning they would be paid a basic rate of 20 cents an hour.

Seven women interviewed by the Cape Times yesterday claimed they were told when they started working that they would be paid 35 cents an hour which would amount to R16,10 a week.

They said there were initially 20 Crossroads women working at the brickyard but about half had left because their wages were so low.

"We would have worked for 35 cents an hour. All we want is our R16 that the man promised us. If he had told us at first that the rate was 20 cents an hour, we would not have complained — but he promised us 35 cents an hour," said one of the women, Mrs Jesselina Njambatwa.

## 'On the Friday, we got the same R9'

"When we got our first pay packets with only R9,20 in them, we called the man and complained. He said if we worked right, he would give us a bonus but when the next Friday came, we got the same R9."

"You can't buy anything for R9. We have children to support. We have to pay R7 rent here and then still buy food. You can't do that on R9,20," said another of the women, Mrs Lucy Vango.

The company spokesman, who declined to be named, yesterday denied that the women were ever promised 35 cents an hour.

"There are areas in the factory where females are paid 35 cents an hour but for that job they were told they would get 20 cents an hour as a basic rate. This must have been where the misapprehension arose. These women are the yard complement, the casual labour," he said.

"We offered to pay them a bonus for every 1 000 bricks they sort but they are loath to accept this because then they would have to work for their money. Some are just plain lazy."

"It is not hard work, just bending down to sort bricks from half-bricks."

"It's not that we feel they're cheap labour. We are just trying to give them a chance to earn some money but they would rather stand and talk," he said.

The women said their job was to sort the bricks into different types. They had also had to separate the bricks by hitting them with a hammer if they were joined together.

## Women 'had to sort hot bricks'

"A man comes with the hot bricks and we must sort them. They won't let us wait till they get cool. Our hands get burnt and they don't give us gloves to protect them," said Mrs Njambatwa.

"And your back gets so sore from lifting the iron hammer to break the bricks up when they are joined to each other," she said.

The women said they had to work outside no matter what the weather was like and sometimes had to work in pouring rain.

The spokesman denied that the women had to handle hot bricks.

"There might have been the odd occasion when the bricks were warm but there are plenty of bricks they could sort out that have been standing there for days," he said.

He also denied that the women had to work outside in bad weather.

"That's not the truth," he said. "If it rained, they used to come inside and do cleaning jobs in the factory."



355 285 (BA) RDM 1/8/80

# Pick 'n Pay chief warns against higher wages

Own Correspondent

PORT ELIZABETH. — If minimum wages were pushed too high, South Africa's unemployment problem would become critical, Pick 'n Pay chairman Mr Raymond Ackerman argued in Grahamstown yesterday.

He told a meeting of 200 students that the country was already facing its worst unemployment situation ever and that enforcing higher minimum wages would simply push unemployment up.

"However the danger is that if we don't think about minimum wages people will pay ridiculously low wages and get away with it."

Mr Ackerman was speaking on the subject: "The new consumer — South African Blacks", at a lecture organised by AIESEC, an international association of commerce and economics students.

"The real problems facing this country are inflation and unemployment — not Swapo on the borders", Mr Ackerman said.

To keep inflation at bay and to offer people goods at prices they could afford was the role retailers had to play.

"The government has to make dramatic changes and eliminate certain laws from the statute book, but big business

has its role to play too."

South Africa could abolish discrimination in commerce, industry and mining tomorrow, Mr Ackerman said.

It was unfortunate that most supermarket development had taken place in the white community when it was most needed in black and coloured areas.

Mr Ackerman said the problem about entering black areas was that small businessmen would suffer.

However, this was the price of progress and his chain had a 49% share in a supermarket which would open in Mitchell's Plain, Western Cape, in two months.

# Johannesburg council blacks paid below average

Sign 15/8/80

(1964)

355

## Municipal Reporter

The wages of black Johannesburg City Council employees have dropped

Anthropology at the University of the Witwatersrand, said today that while this was a trend throughout the country, "the rate of decline has been worse in the city council."

After the strike, he asked Mrs Janet Levine, a PFP city councillor, to give him details of the minimum wage rates for council workers.

low the lowest poverty datum line (PDI) levels. He then deflated the wages by taking into account the consumer price index (CPI). He found that in the first half of the 1970s, the workers' wages showed a slight real gain. But since January 1977, their real wages or buying power had

The wages in 1975 were, in real terms, nearly R10 higher than they are today — after a "huge" increase last month. "These calculations do not take the new 13th cheque into account. But the workers will get that only later this year and, at the present rate of inflation, it will be completely eroded."

Dr Jeremy Keenan, of the Department of Social

Dr Keenan is completing a study on black wages in the 1970s. It is expected to show that wages have decreased, not

He found that although the wages were increased every six months, they had started falling below the national average after 1975. They were now be-

dropped by 18,5 percent.

completely eroded."



# Blacks buying power drops

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15/8/80

By STEVEN FRIEDMAN  
Labour Reporter

THE buying power of many black Johannesburg City Council workers' wages dropped by almost one-fifth in the 2½ years ending in June, according to a study released yesterday.

And, even after the "huge" wage increase for council workers granted this June, their buying power was still 13% less than it had been in January 1977, the survey concludes.

It also finds that many of the council's black workers can buy less with their wages now than they could in mid-1975, even after the recent wage increase granted by the council.

Black municipal workers in Johannesburg struck recently for higher wages and the recognition of the Black Municipality Workers Union.

The wage study, by Dr Jeremy Keenan of the social anthropology department at Wits University, was based on minimum wage rates for black workers supplied by the city council to PFP City Councillor Mrs Janet Levine.

Mrs Levine previously charged that the majority of black council workers received the minimum wage rate, regardless of their length of service.

Dr Keenan said yesterday the study indicated that black Johannesburg municipal workers have "had the skids put under them" by the inflation rate and small pay rises.

The workers, who are migrants, would not be able to make up the backlog with in-

□ To Page 2

P.T.O.

WAGES PM 5/9/80

## Uneven pattern

A Durban Chamber of Commerce spot survey of wages paid to the lowest grade of unskilled workers in various categories reveals an extraordinarily haphazard pattern.

Figures taken at June 30 show that male and female workers in banks, building societies and insurance companies had received increases in excess of the 14% rise in the CPI, and were paid R51,70 (R43,58) and R31,12 (R27,05) a week respectively.

On the other hand, the average weekly wages of those in retail and wholesale shops appear to have actually declined. Men in this category were paid R36,67 (R38,81) and women R27,11 (R34,17).

Durban Chamber GM Ken Hobson says there is no apparent reason for this decline and suggests it may be that juniors are replacing higher-paid staff.

Biggest increases appear to have been given to men in clearing, forwarding, warehousing and transport, where wages rose almost 41% to a weekly R41,15 (R29,19). As might be expected, flat-cleaners and other unskilled workers in the property industry fared badly with men receiving only a 7,3% increase and women 9%. Even with free accommodation in some cases, R24,43 and R19,11 a week is hardly more than a survival wage. The chamber makes the point that the wages cited exclude overtime, fringe benefits, and payments in kind.

The quality-cost trade-off must then be carefully considered in both design and construction. As the standard of quality is increased, costs rise, but so does the value gained from the increase in quality. Eventually, however, a point is reached where the value of the return for the increase of one more unit of quality is not worth the additional cost. In economic terms, this is the famous law of diminishing marginal returns. The standard of quality at which this point is reached on any project will vary between projects and will depend on the objectives set.

On any project the standard of quality can be set within reasonable dictate that state 3.4.2 The time value of management high price On a construction starts in a unit

Y more easily quantifiable as the value of quantity than the project, are what project of high inflation, of money. completion of a project. Ly definable period.



# Black Sash attacks SA wage gap

(355)

MDM

18/9/80

By MARIKA SBOROS

AS WORKERS in South Africa forged closer links with the outside world, they would realise that wages paid here have been exploitive for far too long, Mrs Sheena Duncan, director of the Black Sash advice office said yesterday.

Mrs Duncan was commenting on a report yesterday that the South African Ambassador in London, Dr Dawie de Villiers, had lost his Cape housekeeper because she could not afford to live on the R106,94 he paid her.

Mrs Hendrina Jooste, who worked for Dr and Mrs de Villiers for eight years, returned to her sub-economic Bellville South house recently because she was homesick, according to a Sunday newspaper.

She was quoted as saying that if it were not for the heavy workload, low pay and long hours, she would have considered returning to the envoy and

his family.

"After all, even though R107 sounds more than the average black housekeeper gets in South Africa, in terms of spending value in London it is very little," Mrs Jooste said.

Mrs Duncan said she found it very interesting that Mrs Jooste left Dr De Villiers' employ after working for him in London.

"A domestic worker paid R106 in this country would feel she was being well paid.

"As soon as Mrs Jooste was exposed to another society, she found it was unacceptable. It is part of a learning process on her part," she said.

Mrs Duncan said that as workers in this country forged closer links with the outside world, they would realise that wages paid in South Africa have been exploitive for far too long.

"This does not apply only to domestic workers," she said.



Why they want more

ONE ASPECT of the recent Johannesburg municipal workers' strike that has not been clarified, at least to most of Johannesburg's ratepayers, is the question of the economic grievances that were raised.

A few months ago the council was praising itself for granting what it obviously considered to be a significant wage increase to its black workforce. And, during the strike itself, certain senior council officials were expressing surprise at the "economic" demands of the strikers in view of their recent substantial wage gains.

Why then were the strikers demanding higher wages? What was the basis of their claims? And to what extent has the city's management committee hoodwinked the public into believing that the strikers' grievances over wages were unfounded?

The accompanying table goes a long way to answering these questions.

Rows A & B of the table give the minimum weekly and corresponding monthly wages paid to the municipality's black workforce which this year number 14 812. About 12 500 of these workers are migrants. According to Councillor Janet Levine who has just conducted a survey of black workers' pay at the council, most of these migrant workers are on the minimum starting wage. They are classified as "daily paid staff" and, as such, are not entitled to increments, with the result that some workers with 30 years' service are still on the minimum wage.

It can be seen from the following figures that the council's minimum wage from 1970 to 1975 was more or less the same as the average wage paid to blacks in all sectors of the economy with the exception of agriculture and domestic service.

Average monthly earnings for Blacks (Africans) in South Africa in all sectors of the economy except agriculture and domestic service:

| YEAR | MONTHLY EARNINGS |
|------|------------------|
| 1970 | R39.62           |
| 1971 | R43.27           |
| 1972 | R48.54           |
| 1973 | R57.13           |
| 1974 | R72.05           |
| 1975 | R91.41           |
| 1976 | R106.06          |
| 1977 | R119.40          |
| 1978 | R136.22          |
| 1979 | R156.41          |

(Source: Department of Statistics)

JOHANNESBURG MUNICIPALITY MINIMUM WAGE LEVEL

|                                               | 1.7.70 | 1.7.71 | 1.7.72 | 1.7.73 | 1.7.74 | 1.7.75           | 1.7.76 | 1.1.77 | 1.7.78 | 1.1.79 | 1.7.79 | 1.1.80 | (June 1980)   | 1.7.80 |
|-----------------------------------------------|--------|--------|--------|--------|--------|------------------|--------|--------|--------|--------|--------|--------|---------------|--------|
| Min. Wage A. per week (Rands)                 | 9.68   | 10.12  | 11.00  | 14.08  | 16.72  | 20.68            | 23.32  | 25.08  | 26.40  | 26.84  | 29.04  |        | 30.36 30.36   | 33.00  |
| Per week B. (X4.33) (Rands)                   | 41.91  | 43.82  | 47.63  | 60.97  | 72.40  | 89.54            | 100.98 | 108.60 | 114.31 | 116.22 | 125.74 |        | 131.46 131.46 | 142.89 |
| % C. Change                                   |        | 4.56   | 8.69   | 28.01  | 18.75  | 23.67            | 12.78  | 7.55   | 5.26   | 1.67   | 8.19   | 4.55   |               | +8.69  |
| D. Living Level ** (Rands)                    |        |        |        |        |        |                  |        | Nov 76 | May 78 | Nov 78 | Nov 79 |        |               | May 80 |
|                                               |        |        |        |        |        |                  |        | 126.59 | 157.60 | 168.16 | 178.22 | 185.27 |               | 196.05 |
| Consumer Price Index E. 1970 = 100 1975 = 100 | 100(2) | 106.4  | 113.3  | 124.1  | 138.5  | 157.2 (159.6)(3) | 111.2  | 117.5  | 138.3  | 144.5  | 156.1  | 164.5  | (174.6)       | 177.8* |
| Real Wages F. per month (Rands)               | 41.91  | 41.18  | 42.04  | 49.13  | 52.27  | 56.96 (56.10)    | 90.81  | 92.43  | 82.65  | 80.43  | 80.55  | 79.91  | (75.29)       | 80.37* |
| % Change G. in real wages                     |        | -1.74  | +2.09  | +16.86 | +6.39  | +8.97 (+7.33)    | +1.42  | +1.78  | -10.58 | -2.69  | +0.15  | -09.79 | (-5.78)       | +0.58* |

Throughout the municipal strike, officials of the Johannesburg City Council argued that workers' wage demands were unjustified. But recent research indicates that the buying power of the council's black workers has been dropping sharply for the past few years. The author of this research, DR JEREMY KEENAN, of the University of the Witwatersrand's social anthropology department, discusses his findings.

SOURCES

- 1) Councillor Janet Levine
- 2) Department of Statistics
- 3) Afrikaanse Handelsinstituut (S.A.I.R.R. p. 194)
- 4) S.A. Reserve Bank
- Estimate
- Johannesburg Chamber of Commerce: Black family of 5 — Soweto
- Excludes: Writing materials, etc.
- Amusement & Sport
- Personal care
- Savings and expenses.

However, since 1975 the wages paid by the Johannesburg Municipality have fallen further behind the national average each year. By 1979 the average national monthly earnings of blacks were 25% higher than those of blacks employed by the Johannesburg Municipality on the minimum starting wage. This is not to suggest that the national "average" wage should be seen as some sort of guide of standard. Far from it. As can be seen from row D in the table, the national average wage is considerably lower than the Minimum Living Level calculated by the Johannesburg Chamber of Commerce

for blacks living in Soweto, as well as other "Poverty Datum Line" measurements that have been calculated by various other bodies both for various regions and the country as a whole. These measurements are only a rough measure of the basic minimum needs required to live, and cannot be equated in any way with what may be regarded as a "decent living wage".

But, when we look at the real wages of Johannesburg's black workers, that is after inflation has been taken into account, the picture is even grimmer. Row F shows that a monthly wage of R89.54 in 1975 had been reduced to R75.29 by June 1980, a decline of 15.9%. Between January 1977 and June 1980 the decline in real wages was even more dramatic — 18.5%.

To what extent has this year's wage increase modified this picture? It hasn't. The wage increase granted in this year's council budget and brought into effect this July has led to a further decline on last year's wage levels. Admittedly the year on end figure showed a decline of only a few cents and less than 1% but it is nevertheless a real decline. Supporters of the council's wage policy will immediately argue that I

have not recognised the '13th cheque' introduced this year. If this is taken into account then the year on end figure does show a real gain of about 8%. But, at the present rate of inflation this gain will almost certainly have been eroded altogether by the time it is paid. The increased monthly wage is still more than 10% less than its 1975 value and 13% less than its value in January 1977.

These figures do not tell the full story. There are further important qualifications. Firstly, the Consumer Price Index is not the ideal deflator for black wages. It is based on the consumption pattern of white families and on prices in white areas. For most blacks inflation has bitten deeper than the CPI would indicate. Of far greater significance, however, is the wider economic climate in which this decline in black real wages has taken place. In both 1977 and 1978 the number of blacks in employment (excluding agriculture and domestic service) declined by more than 50 000 (Department of Statistics). This trend was continued in 1979, although at a lower rate. The present "boom" in the economy is doing relatively little to ameliorate this situation of increasing black unemployment. The

marked decline in the real wages of Johannesburg's black workers over the last three years must be seen against this background of increasing black unemployment.

The implications of this situation for the homeland areas and migrant workers such as those employed by the Johannesburg Municipality are critical. Only a very small proportion of the population in the homelands can maintain itself from the land or through access to wage employment in the homeland itself. The population in the homelands has thus become progressively more dependent on other forms of income for its survival, notably pensions and the earnings of migrant workers. But, with the increases in black unemployment and the "relocation" of the unemployed back to the homeland areas, the earnings remitted by migrant workers are having to be stretched further and further. The intensification of this combination of factors has led to an increase in morbidity, poverty and infant mortality in the homelands. By 1978 parts of certain homelands were experiencing in the region of 300 deaths per 1 000 in the first twelve months of life as a direct result of malnutrition and related poverty induced diseases. The present drought in parts of Kwa-Zulu has merely exacerbated and drawn attention to what was an already critical state of affairs.

It is therefore quite evident that there is a direct causal relationship between the earnings of migrant workers and the living conditions ("quality of life") of the homeland populations. Decreases in the wage levels of migrant workers have a direct effect on the rate of infant mortality in the homelands.

Not only has the Johannesburg City Council succeeded in crushing the demands of its black workforce, for the time being, but its actions and wage policy cannot be divorced from the chronic conditions in the homelands. It is difficult to imagine that Johannesburg's ratepayers will be cheered by the real savings that the management committee claims to have made on their behalf.



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## Exploitation of black labour

THE way labour is used or rather abused in a capitalist economy such as ours, gives credence to parts of Marxist ideology about the system inevitably destroying itself.

We are of course not Marxist even in orientation, but we find it difficult to fathom the workings of a system which is so obviously riding the crest of a boom, treating its workers in such a scandalous fashion.

We have had occasion to do exposes in slave wages in some big business operations. It seems from reports filtering in that small businessmen are becoming just as mean as the big boys. Blacks, who form the majority of wage labourers, are exploited in a manner reminiscent only of the Industrial revolution in Britain.

Most of our pay scales are abysmally low, and the working conditions even worse. People have to work themselves to a standstill for miserable wages. Sometimes companies move workers from one plant to the other without the slightest bother the transport difficulties they are faced with even under normal conditions.

All the alienating features Marx spoke so eloquently about are in the system. Not only are you exploited by being over-worked and underpaid, but you are a piece of the machinery that does not have the slightest idea about the final product. You are also pushed around by some foreman or supervisor; you are sexually harassed if you are a woman; you have all the humiliation piled onto your head for somebody's eventual profiteering.

Capitalism also fuels racism. So the picture of labour conditions are grim in a country that is having an unprecedented economic boom.

These are some of the factors that explain the proliferation of work strikes and boycotts despite new labour regulations, which it is alleged, will be streamlining black labour conditions.

In the end these factors are economically counter-productive, and one wonders at the short-sightedness of South African businessmen.

# Wages increased at twice the rate of inflation

1057  
29/10/80  
355

THE earnings of workers in most South African industries increased at twice the rate of inflation over the year up to the end of July.

There was a 24 percent increase in the average earnings of the 2,9 million workers in mining, manufacturing, construction, electricity, railways and harbours, and the Post Office in that year.

During the same period, the cost of living increased by only 12,2 percent, according to the Consumer Price Index.

This has been calculated by The Star from the latest figures released by the Department of Statistics.

In spite of the upsurge in the demand for skilled workers caused by the eco-

nomie upswing, the past pattern of higher increases in the earnings of workers of other races was maintained in most industries.

The biggest increase in average earnings, 29,5 percent, went to coloured workers. Blacks had an average increase of 25,7 percent and whites averaged only 21,2 percent.

A notable exception was the mining and quarrying industry where black earnings increased by only 17,6 percent.

But in the building and construction industries where the shortage of skilled workers was reputed to be the most serious and likely to give rise to exorbitant increases.



# Industrial wage rises overtake inflation

STAR  
29/10/80

355

By Sieg Hannig  
Labour Editor

Earnings of workers in most industries increased at twice the rate of inflation in the year to the end of July.

There was a 24 percent increase in the average earnings of the 2.9-million workers in mining, manufacturing, construction, electricity, Railways and Harbours, and the Post Office in the period.

During the same period, the cost of living increased by only 12.2 percent, according to the Consumer Price Index.

This has been calculated by The Star from the latest figures released by the Department of Statistics.

In spite of the upsurge in the demand for skilled workers caused by the economic upswing, the past pattern of higher increases in the earnings of workers of other races was maintained in most industries.

The biggest increase in average earnings, 29.5 percent, went to coloured workers. Blacks had an average increase of 25.7 percent and whites averaged only 21.2 percent.

A notable exception was the mining and quarrying industry where black earnings increased by only 17.6 percent.

But in the building and construction industries, where the shortage of skilled workers was reputed to be the most serious and likely to give rise to exorbitant increases, average earnings of whites rose by only 15.6 percent.

This compares with a 28.2 percent rise in the earnings of black building and construction workers. And coloured workers in these industries reaped an increase of 37.9 percent.

The average increase in earnings for workers in the building industry was 24.5 percent.



SOME wealthy Boland farmers are paying their labourers wages that have been described as 'appalling and a disgrace'.

This emerged after an Argus inquiry into complaints that one Rawsonville farmer was paying his employees as little as R3 a week after deducting food money from their wages.

In a letter to The Argus, a complainant, who wished to remain anonymous, said that labourers on the farm, Remhoogte, in the Rawsonville District, were earning R13.50 a week on average, less R7.50 a week for food.

A married man with several children, could not possibly support his family on such a meagre salary, he said.

The foreman of Remhoogte, Mr A J Burger, verified that he was paying his 18 coloured labourers between R13.50 and R15 a week

and that after deductions for food they were earning between R24 and R30 a month.

But you must remember that the workers get their food wholesale, they are provided with accommodation and they get free wine," Mr Burger said.

He added that the starting wage for his labourers was R13.50 a week and that this rose to R15 after six months. For the Rawsonville farm labourers work a 10-hour day.

A Government source

told The Argus that a number of wealthy Boland farmers were paying their labourers as little as R2-R2.50 a week and that exploitation of coloured labour was a cause for grave concern.

#### 'EXPLOITED'

Dr Alex Boraine, the Progressive Federal Party's spokesman on Labour, said there was no doubt that farm labourers were one of the most exploited groups of workers in South Africa.

Referring in particular to farm labourers in the Western Cape, Dr

Boraine said: "They have no protection and there is no minimum wage laid down."

"There are no bargaining procedures with employers, many of whom pay the lowest rate possible, and because so many of the labourers have no other qualification, and there are no other alternatives, they are compelled to accept these wages."

Dr Boraine said the wages these labourers were being paid were a disgrace in any society.

"They are being paid no more than starvation wages, and this is why

many leave in desperation for the cities."

The argument was often used that labourers were provided with housing, food, schools and so on, but there was no doubt said Dr Boraine, that if the worker had no ability to negotiate his own wages, then he was bound to be exploited.

The Senior Industrial Inspector with the Department of Manpower Utilisation, Mr J F Marais, confirmed Dr Boraine's statement that there was no protection for the farm worker in

the Boland.

A common law contract exists between the farm labourer and his employer, but the labourer is not usually aware of his rights under that contract. Consequently there is no control over what he earns."

Professor Johan Potgieter, of the Institute for Manning and Research at the University of Port Elizabeth, whose department had established a household subsistence (HSL) level that was generally accepted as the minimum amount required to support a

family, said farm labourers were excluded from the HSL because it was impossible to assess their real earnings.

This was because of their various 'perks' like accommodation, food and free facilities.

The chairman of the Goudini Farmers' Association, Mr Bokkie Viljoen, agreed that fringe benefits like houses, food and clothing and school education made it very difficult to establish a set minimum earning scale.

But he said that the minimum weekly wage

laid down by the KWV was 'about R20'.

You must appreciate in a category of their own. The farmer has a special relationship with his workers and must house, school and feed them.

#### RAW DEAL

"Usually they get their food and drink at whole sale prices, so if R8 is deducted from his salary for food, that amount represents more money than it is actually worth."

In spite of their perks many labourers in the Boland are getting a raw

deal from their employers, according to the Institute of Race Relations.

Mrs Daphne Wilson, chairman of the Cape Western region of the institute said: "This state of affairs is appalling. There should be minimum wages for all workers, farm workers included."

The situation for even worse when one knows how affluent many farmers are."

The Argus inquiry established that although coloured workers are often exploited in the

Boland, there are a number of farmers who take great care to see to the welfare of their labourers.

#### R80 A MONTH

A survey of farm workers' earnings in the Robertson area showed an average monthly wage of R80, plus a free bottle of wine every day.

At the end of the year most workers get a bonus and their families receive new outfits of clothes.

Some farmers provide TV shows for their workers and facilities range from rugby fields to free firewood, food, water and sometimes land for cultivating crops.

Robertson workers are sometimes equipped with three or four roomed cottages, which the farmer furnishes at his own expense.

In the Wellington district some farmers were found to pay their labourers between R90 and R120 a month.

# 'Appalling' low wages paid to workers by some wealthy Boland farmers

14/11/80

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# Pay

# boost for nurses

NM 15/11/80

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## Political Reporter

**NATAL'S provincial nurses, forced to work long hours because of staff shortages at some hospitals, would soon be paid overtime, Mr Frank Martin, MEC in charge of hospitals, said yesterday.**

Investigations were under way to bring about improvements in the working conditions of nursing staff.

Natal's Executive Committee had already approved the payment of overtime for nurses, which would bring Natal into line with other provinces.

Replying to a suggestion that coloured nurses would be suitable to fill vacant nursing posts at Addington Hospital in Durban — currently running with 25 percent of nursing posts unfilled — Mr Martin said: 'One of the difficulties is that nurses of different races are not paid the same. The Province is reluctant to open itself to

accusations of blatant exploitation.

'It is NRP policy that, wherever possible, the patient should be nursed by his own race group but our first commitment is to the patient. If nurses of the same race are not available, we employ nurses of any race group so that the patient is not affected.

'And we are implementing this now.'

He pointed out that there was a worldwide shortage of nursing staff, even in countries where there was no colour bar.

Some hospitals in the United States were running with a staff complement of 50 percent.

Mr Martin said he was trying to implement as quickly as possible improvements which would cut the long hours worked by nursing staff.

'The single most important reason for the staff shortage was not salaries but the lack of social contact with people of their own ages because of odd working hours.

He could not understand why nurses were paid less than their counterparts in other provincial divisions who did not have to study for three years and did not work overtime or public holidays.

'This is something which should have been put right years ago,' said Mr Martin.

On the question of uniforms, he said the position was under review and nursing staff would probably be given an allowance to buy their own uniforms.

He said it would not be possible to transport nursing staff during normal working hours, but the provision of transport after hours was part of provincial policy.

Mr Martin said he did not believe married former nurses would return to the profession if offered free crèche space.

But he said the possibility of converting the old kitchen at Addington Hospital into a crèche would be investigated.



# BLACK WAGE INCREASES OUTSTRIP COST OF LIVING RISE — SURVEY

5t

Argus Bureau  
**PORT ELIZABETH.** — Salary and wage increases — particularly of blacks — have been consistently higher than the rise in the cost of living in the 1970s.

Mr M Levin, senior economics lecturer at the University of Port Elizabeth, says this in a study of the indexing of salaries and wages published by the university's Institute for Planning Research.

In a survey Mr Levin found that most businesses had wages more than salaries favouring black workers.

## 119 PERCENT

On average, salaries and wages increased by 119 percent for every 100 percent increase in the consumer price index during 1971-78.

He says that if a formal system of payment indexation had been applied, the average salaries or wages would have increased less than they actually did.

On average, salaries and wages were over-indexed in South Africa from the beginning of the 1970s.

because there was no formal guideline.

There is no formal legislation which forces businesses to adjust salaries and wages in line with a particular index.

Mr Levin claims the 'art' of living with inflation is linked to indexation.

In the businesses surveyed, indexes were

applied to 83 percent of white workers salaries and 54 percent of whites wages, while they were applied to 69 percent of black workers salaries and 31 percent of their wages.

Application of a general index to adjust wages put the white labour group at a disadvantage, while benefiting the black labour group.

Among both black and white workers, 13 percent had their salaries adjusted to meet the rising cost of living but only 17 percent of white workers had their wages adjusted against 27 percent of black wages-earners.

This enabled the black labour group to maintain a slightly more stable standard of living.

a) derived from the 1960 and 1970 Population  
b) Slimkins, 1980, Table 1  
c) BENSQ, Statistical Survey of Black Develop  
d) Pretoria: BENSQ  
e) derived from 1970 and 1980 homelands population

Source:

|      | All homelands      |                |     | % Urban            |                |   | % Urban            |                |
|------|--------------------|----------------|-----|--------------------|----------------|---|--------------------|----------------|
|      | Urban dwellers (a) | Population (b) |     | Urban dwellers (c) | Population (d) |   | Urban dwellers (e) | Population (f) |
| 1960 | 57 393             | 4 739 855      | 1,2 | 400                | 4 571          | 8 | 594 420            | 7 385          |
| 1970 |                    |                |     |                    |                |   |                    |                |
| 1978 |                    |                |     |                    |                |   |                    |                |

TABLE 7: HOMELAND URBANISATION, 1960, 1970 & 1978

1960, 1970 and 1978.

Table 7 shows the extent of homeland urbanisation in

a) Homeland urbanisation

two tables indicate.

of it were more true in 1960 than in 1980, as the following

clined to less than 20% by the end of the 1960's. Other parts

from their own agricultural production. This proportion de-



# Dramatic narrowing of racial wage gap in 10 years

By HERMANN GILIOMEE, senior lecturer in history at Stellenbosch University. This is the second of three extracts from an address Dr Giliomee gave recently to the Civil Rights League in Cape Town. The first appeared on Saturday.

THERE has been a dramatic narrowing of the racial wage gap in South Africa since 1970. In mining it shrank from nearly 20:1 in 1970 to 7:1 in 1979 and in manufacturing from 5.6:1 to 4.2:1.

But one wonders how much the gap would have narrowed had it not been for factors such as the disruption of the supply of labour to the gold mines from countries beyond our borders, the Durban strikes and international pressure.

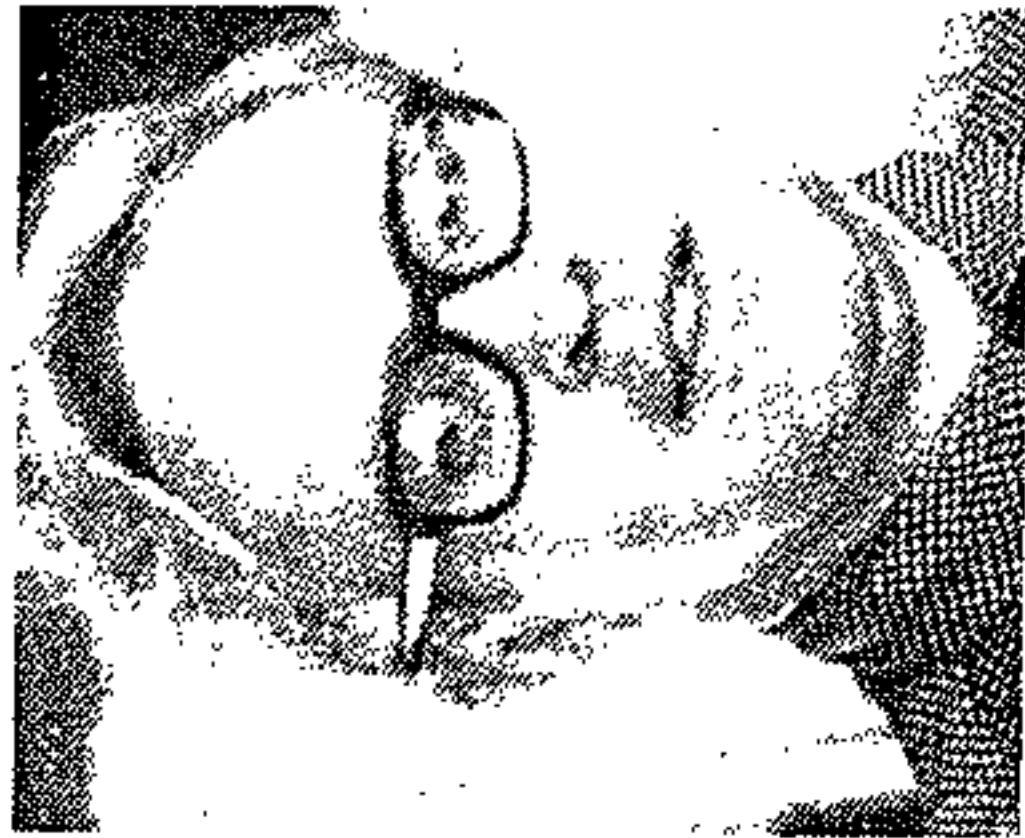
Certainly these political factors had as much to do with the trend toward equalization, if not more, than economic factors. This confirms the American trend.

## Redistribution

Through a combination of the redistributive effects of growth and state intervention to meet black aspirations and assist the poor, South Africa during the past three decades has witnessed a not inconsiderable redistribution of income between whites and blacks.

The black population's share of the personal income of the South African population rose from 19.6 percent in 1946 to 26 percent in 1976. In the same period that of whites dropped from 74 percent to 63 percent.

Two forecasts were recently made about the pattern of future redistribution. Forecast A considers it feasible that at a projected growth rate of 4.75 percent between 1980 and 1990, and 4.7 percent between 1990 and 2000, the share of the whites of the total disposable income will decline from the present 63.5 percent to 52.5 percent in the year 2000, while the black (African) share will



increase from 25.5 percent in 1980 to 32.4 percent in 2000.

Forecast B assumes a redistribution at a somewhat faster rate than in the past, mainly as a result of socio-political pressures and attempts by the state as well as the private sector to contain these pressures.

Forecast B envisages a drop of the white share from 63.5 percent to 42.8 percent in 2000 and a rise of the black (African) share from 25.5 percent to 40 percent in 2000.

Some other forecasts based on the same assumptions were also made. Under the more conservative forecast A, the relative income gap between white and non-white incomes will change very little, namely from about 9.3:1 in 1980 to 8.8:1 by the end of the century. Under forecast B this gap will be by 6:1 by the year 2000.

But in spite of this relative improvement, the absolute income gap, namely the difference between white and non-white incomes in terms of rands, will increase from R4 100 per annum to between R5 500 (forecast B) and R7 200 (forecast A) per annum.

Curbing the expansion of the public sector and the maze of bureaucratic controls is to be welcomed since this contributes to a higher growth rate. However, with the kind of disparity in income between white and black which will persist the state will have to continue to play a major role in easing the plight of the poor and to attempt to stabilize society through welfare measures.

Recent evidence indicates that the state is gradually extending its welfare services to all sections of the population. There is now a far greater concern than before with social security for blacks as a stabilizing mechanism. This will take the form of more adequate pensions, better housing and the improvement of the quality of life in the townships. Little has yet materialized but the trend is unmistakable.

All this adds up to a state where planning for welfare promotion assumes a central position.

This is the issue with which liberals must grapple today. Do they welcome this movement — although still hesitant and inadequate — towards more social democracy (also for blacks) — or do they sympathise with the demands of the classical liberals that South Africa should proceed on the basis of a free market economy and that an end should be made to the centrally-planned welfare state, which, according to one scholar, "has developed into a malignant growth" absorbing one-third to one-fourth of the national income of South Africa?

Presumably the assumption is that a high growth rate will enable the poor to buy social services at free market prices. What will happen to those who

cannot afford it is not spelled out.

There is evidence that the state in response to black political pressure is increasing spending on black social services. In its Prospects for 1981 the Stellenbosch Bureau for Economic Research notes: "Increased pressure to invest in social infrastructure such as low cost housing and educational and training facilities must be expected. It is therefore estimated that fixed investments by the public authorities will increase by about two percent in 1981."

To be concluded.



# Bumper year for wages and bonuses

(c)

By Elizabeth Rouse

SOUTH Africa's workers have never had it so good. Not only will they get a record year-end bonus payout totalling around R1 500-million, but on average their skills will command 20% more next year.

South Africa's wage bill is set to climb to R35 000-million next year, up from an estimated R28 000-million-plus this year, which constitutes a rise of 20% on 1979's actual remuneration of R23 472-million.

This means that an additional estimated R500-million a month will be pumped into an already overheated economy from salary and wage bills alone, which appear to be heading for the R3 000-million-a-month level in 1981.

Total disposable income, which includes income from property and other assets, is running at R32 254-million for 1980, up from an actual R28 347-million in 1979. A similar rise



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of 14% can be expected in 1981, if not more, as income from assets is on the uptrend.

Top employment agencies expect that the merry-go-round of job-changing will reach a hectic pace early next year as employees take their bonus cheques and depart for higher salaries and more perks elsewhere.

Some banks paid half-year bonuses to keep staff this year, but failed to do so to a significant extent. (It is whispered that the Reserve Bank has just approved a 20% across-the-board increase for its staff.)

Top executives can name their own price as corporations expand to satisfy the leap in consumer demand amid the most serious labour shortage South Africa has seen.

Middle management executives now take perks such as cars, a 13th cheque and other fringe benefits for granted.

A corporate business manager can command a salary of between R24 000 and R30 000 a year plus benefits. An engineering marketing manager is being offered anything from R30 000 upwards with a car and other fringe benefits, including overseas trips.

A service manager can be lured away for R20 000, a share in profits and a car. A site foreman is being offered R24 000 and, probably, accommodation.

Engineers and other university qualified men are like diamonds in sparse soil. Industry is trying to alleviate the shortage of technologists by recruiting overseas, offering luxury family housing in addition to high salaries in South Africa.

General staff such as secretaries, computer programmers and artisans, whose salaries have been lagging behind the increase in the consumer price index, can expect to catch up next year, say employment consultants.

An executive-type secretary can earn well above R800 a month and skilled artisans are making as much as R2 000.

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## 14.5.4 Costs Associated with Labour

Before filling a vacancy which has a cost to an organisation for one reason or another, it needs very careful consideration. It has far-reaching consequences on the economy.

(i) Do we re-employ? The answer is determined by assessing the work to be done in the 'job area', and by examining the

(ii) Who do we employ? Assuming the answer is in the affirmative, the second question is who to employ. And of course at this stage not only at our immediate requirements but also the person employed to fill the vacancy need to be given to the level of education and experience.

Assuming then that there is a need for a person, we are looking for (see recruitment and selection) and the other costs involved.

It is very difficult to pinpoint all the costs involved. However there are a number of costs which can be analysed when calculating the cost of a vacancy. It can be divided into two groups:

- Personnel Costs.
- Production Costs.

Let us now look at these two areas in



WAGES

2/2/81 - 8/12/81

Horwood faces a dilemma but . .

# Pay hike expected

S. Inbure

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**FINANCE** Minister Owen Horwood faces a dilemma over public sector salaries. Despite his call for wage restraint it is almost certain he will announce increases averaging around 15 percent in his mini-Budget tomorrow week.

Increases for teachers will be even higher according to a reliable source and civil service representatives have asked the Government to give proportionately higher increases for the lower income and medium income groups.

Substantial increases for railway workers are also expected and these will rub off on higher rail rates.

The overall increase for the one million civil servants last year of 12 percent, was lower than the inflation rate.

The 15 percent increase will add R750 million to the total wage bill paid to public sector employees. Nedbank

By JACK BRICKHILL

economist Dr Piet van Schaik says the Government should be able to finance the increases without having to raise taxes. Horwood is known to favour a moderate increase which would be less inflationary, but he is under pressure now to shore up an administration that is steadily running down.

Figures from the liaison and publications division of the Commission for Administration show there are about 13 000 vacancies in the central government service which has around 250 000 employees. The vacancies are across the board from engineers and medical practitioners to data typists.

The commission is intensifying training and recruitment but they face an uphill battle with private sector salaries at least 20 percent higher than those in the public sector.

The Opposition spokesman on finance, Harry

Schwarz, says the situation is leading to a breakdown which can affect the stability of the running of the state.

Some areas of administration have already ground to a halt because of the shortage of personnel. The lack of surveyors meant that in some areas such as the southern Free State not one 99-year lease has been granted to blacks and in other areas only 10 or 12 have been granted although the Government sanctioned the move some time ago.

"This is an important and delicate issue which should be implemented properly," he says.

Schwarz says the staff shortage problem should be treated as a whole and not tackled piecemeal department by department.

The administration is reaping the legacy of a policy which restricted training and opportunities for blacks. He says there is no easy solution until the backlog in basic education is removed.



'Employers digging  
in their heels'

# Warning of big slowdown on top salaries

513R  
2/2/81  
(355)

CHEMICAL

By Michael Chester, Financial Editor

Warning was sounded today that employers are planning a big slowdown in the pace of managerial and professional salaries in the wake of the 1980 pay explosion.

Mr Mat Leach, managing director of Renwick Management Services, said consultants had underlined that employers were going to refuse to repeat the sort of salary escalations that swept through companies last year.

Salaries in some executive categories had soared by as much as 60 percent as companies went on recruitment drives for top talent to cope with the business boom. The average across-the-board rise, he said, had been at least 25 percent.

However, he doubts that average recruitment salaries in 1981 will go beyond 15 percent higher.

"Company bosses in practically every business sector are digging in their heels against the pay ramp," he said, "and they have one positive factor on their side: a lower economic growth rate."

Every reliable economic indicator told the same story last year: prosperity. For the individual, it brought a big jump in pay. There was a wide-scale shortage of skills and most companies had the cash to buy new talent at the going rate.

"But in the first month of 1981, the situation changed," said Mr Leach. "There is no question of recession in the offing, since the needs of a buoyant economy will persist. Nevertheless, the urgency to recruit, that began as the economy took off after four years of recession, is now slackening."

"Companies have had time to do their sums and to put up what their recent rally into the priciest sellers' market so far really cost them. Employers who were hiring newly qualified accountants at £12,000 a year about 12 months ago are now recruiting from £18,000 to £20,000."

"They are saying they cannot afford to pay levels last year's promotion levels, but to demand a higher standard at those levels."

During the 1970s, employer had kept a tight lid on salary structures — so much so that the gap between pay levels and those in overseas Western countries became ridiculous.

In a single year, however, the first of the 1980s, South Africa had gone a long way towards

correcting the imbalance. Today, calculates Mr Leach, executive and professional salaries are now comparable with overseas levels.

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# 'Pay must go up in three crisis areas'

By GERALD REILLY  
Pretoria Bureau

THE Government must move fast to improve salaries and working conditions in three potential disaster areas — nursing, teaching and the police — the general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, said yesterday.

His appeal to the Minister of Finance to make funds available for "instant relief" in these critical areas in the "little Budget" on February 18 was supported by the Progressive Federal Party.

The crisis in Transvaal hospitals was highlighted this week by the acting superintendent of Edenvale Hospital, Dr George Perling, who warned of a collapse of the nursing structure.

The Federal Council of Teachers' Associations has warned of the crisis in education because of the acute teacher shortage, and the president of the Transvaal Teachers' Association, Mr Peter Mundell, has forecast a "catastrophe" in education unless substantial salary adjustments are authorised.

The extent of the discontent among police is reflected in the large number of resignations last year — more than 3 000

At its annual congress last year Tucsra severely criticised the extent of salary increases granted to Government workers from the beginning of April.

Tucsra also protested at the continuing salary differentiations based on race. It urged the Government to implement an equal-pay-for-equal-work policy as an urgent priority.

The PFP spokesman on health, Mr Horace van Rensburg, said it was "inconceivable" that the Government could remain insensitive to the crisis, despite the warnings from responsible medical men and others about the depletion of nursing and paramedical staff in hospitals.

What was needed immediately was a 30% hike in the earnings of nurses and paramedics.

Lives would be placed in jeopardy because of the Government's total failure to solve, or even start to solve, the problem.

Asked to comment on Dr Perling's allegations yesterday, the Transvaal's Director of Hospital Services, Dr Hennie Grove, said: "Dr Perling is doing an excellent job at Edenvale. He has reopened 16 beds, and hopes soon to have all beds available."

Dr Grove would make no further comment.



RPM 11/2/81 (250) (355)

# Public service chief: Pay threat to State machine

By GERALD REILLY  
Pretoria Bureau

EFFICIENT administration would be threatened unless the forthcoming pay increases in the public service were sufficient to bring essential relief, the president of the Public Servants Association, Dr C M Cameron, warned yesterday.

He issued a statement in Pretoria responding to a claim by a commercial bank economist that limited increases for public servants would help solve the inflation problem.

"It is not salary increases for public servants that drive up prices and the inflation rate," Dr Cameron said. "In fact, if prices are kept at a constant level, public servants would not press for increases."

Dr Cameron said it was unfortunate the State was always expected to exercise control over salary increases while the private sector — particularly the commercial banks — continually raised salaries, to a point where vital manpower was draining away from the Government service.

If the expected increases failed to bring real relief, the aim of efficient administration, and the provision of the necessary infrastructure for maintaining economic growth, would be frustrated — to the detriment of the private sector.

Senior public servants said Dr Cameron's warning should be seen against the background of the desperate shortage of nurses, teachers and police and

of key personnel in the Department of Justice.

They were emphatic the public sector could never compete in a salary race with the private sector.

At the last official count, there were 578 000 black and white workers in the State and Provincial departments, police and prisons services and in the SA Defence Force.

Their annual earnings totalled about R2 300-million. This means an increase of only 10% — and the expectation is for rises of between 12% and 14% — would add another R230-million to the salary bill.

One economist pointed out that the public service represented the biggest single purchasing power block.

# Budget to try 'buying back voters'

By HELEN ZILLE  
Political Correspondent

CAPE TOWN. — Salary increases for teachers, nurses, policemen, soldiers and Department of Justice officials are almost certain to be the major feature of Monday's mini-Budget as the Government makes an all-out effort to avoid a mass protest vote in the April 29 General Election.

Poor salaries and unsatisfactory conditions for many categories of public servants have resulted in dissatisfaction on an unprecedented scale, mass resignations, critical staff shortages and the strong likelihood of a significant protest vote.

Mr Harry Schwarz, Opposition spokesman on finance, said the mini-Budget would be the Government's pre-election "desperation package" as it attempted to buy back its traditional voters.

R8 900-million will be voted next week to keep the country running until the main Budget is passed in September — and only then will the Government's tax proposals be revealed.

Commenting on this, Mr Schwarz said: "There is a doubtful political morality in giving out the goodies before an election and making people pay for them afterwards.

"The scheme is so obvious that it must fail. The Government underestimates the intelligence of the people who work for it because it is clear that the salary increases should have been given long ago.

"For them to be delayed until shortly before a General Election is blatantly transparent."

In his mini-Budget speech, Mr Horwood will also make a statement on proposed pensions legislation that has caused widespread opposition from workers.

The legislation would make it compulsory for pension fund contributions to be transferred to workers' new companies if they change jobs. This would leave workers who lost their jobs without pension money to tide them over while they were unemployed.



355 250 49

# Govt can await backlash if pay raises fall short

RDM 14/2/81

By GERALD REILLY  
Pretoria Bureau

THE powerful public sector staff associations are poised to hit back at the Government if their pay rises — an announcement is expected on Monday in the mini-Budget — fall short of expectations.

And their expectations are that the increases at least compensate for the 15% inflation rate.

The Federal Council of Teachers' Associations, which speaks for South Africa's 60 000 teachers, plans a hair-trigger response to Monday's announcement, whatever it is.

The council executive will meet the Minister of National Education, Dr Gerrit Viljoen, in Cape Town soon after the Minister of Finance makes the expected pay announcement in the House of Assembly.

Swift responses can also be

expected from the Public Servants Association and Post Office and Railway staff association leaders, especially if the Minister announces increases which fail to match the inflation rate.

With the General Election on April 29, senior Government sources are confident that increases will be impressive.

They point out that there are nearly 500 000 whites working for the State, provincial departments, Railways and Post Office.

This, they say, represents a powerful voting block which the Government is hardly likely to ignore, considering the serious dissatisfaction among teachers, policemen, nurses and the armed forces.

A certain objective will be to counter this dissatisfaction with a generous budget allocation for public sector pay rises, political observers believe.

The major, if not the sole, reason for the election is the National Party's concern about loss of support to the extreme Rightwing — and the need to plug the drain.

The extreme Rightist Herstigte Nasionale Party, it was pointed out, has been feeding on pay and other grievances in the public sector in an effort to draw support from the NP.

Against this background, it was unlikely that the Prime Minister would risk a pay announcement which would result in a voter backlash in the public sector.

Pensioners, too, constitute a big voting block. There are more than 400 000 whites over the age of 60 — a high percentage of them dependent on pensions.

So an announcement about pensions increases is also expected as an election sweetener.



FOR THE TEACHERS, THE LONG WAIT FOR NEWS IS NEARLY OVER

SUNDAY TIMES, February 15 1981



# A lovely day tomorrow?

TOMORROW, tomorrow... the whole teaching world is waiting for tomorrow with bated breath.

The Minister of Finance, Mr Owen Horwood, tables his Part A appropriation Bill in Parliament tomorrow.

Teachers want to hear that their salary levels are being increased by at least 25 percent. It would make all the other problems encountered in this sorely tried profession much more bearable.

It's the "if not" rumble on the salary scale that haunts many thou-

sands and affects many others. Mass walkouts have been threatened. So have strikes.

Salaries are the crunch. Other things are peripheral, and here are the problems as seen through the eyes of a high-school principal who heads a "community" of a thousand pupils and staff.

□ □ □

General staff:  
"We are all walking a tightrope. If we lose a good, experienced teacher, where will we get another? This haunts me. I can't sleep at

## SPECIAL REPORTS BY DOREEN LEVIN

night.

"The Transvaal Education Department offered me an Afrikaans student for a senior English post. If we advertise — which we are not supposed to do — no one answers. All our sources have run dry. And training colleges are all short of students."

Shortage of maths and science teachers:

"Schools are doubling up in their

science classes. My maths teacher has been offered R800, double her salary, not to teach. We are tempted. There is a shortage of skilled workers in industry. We will never be able to compete, but better salaries might draw some of our teachers back to the classroom."

The ratio system:

"In the Transvaal two-fifths of the teaching posts are reserved for men, two-fifths for women, and a fifth for either sex. This is unrealistic. As

male teachers are in short supply, women filling their posts can only be kept on the temporary staff.

"So they need give only 24 hours' notice. She has no obligation. One of my teachers is considering a post in the business world at twice the salary. I haven't a soul to take her place."

□ □ □

No pay for responsibility:

"I think it's a very great tragedy that we have lost the old senior assistant. This responsibility post went out some years ago when heads of departments came in.

"Today there is no promotion for responsibility. So you are faced with a situation in official languages, for example, where your head of department can be for either English or Afrikaans, but not both. So the person who heads the other subject can't be paid."

Lack of accommodation:

"We don't have money to put into practise some of the modern educational policies like turning our libraries into media centres with work areas. We have some lovely films, slides and videos but no suitable accommodation."

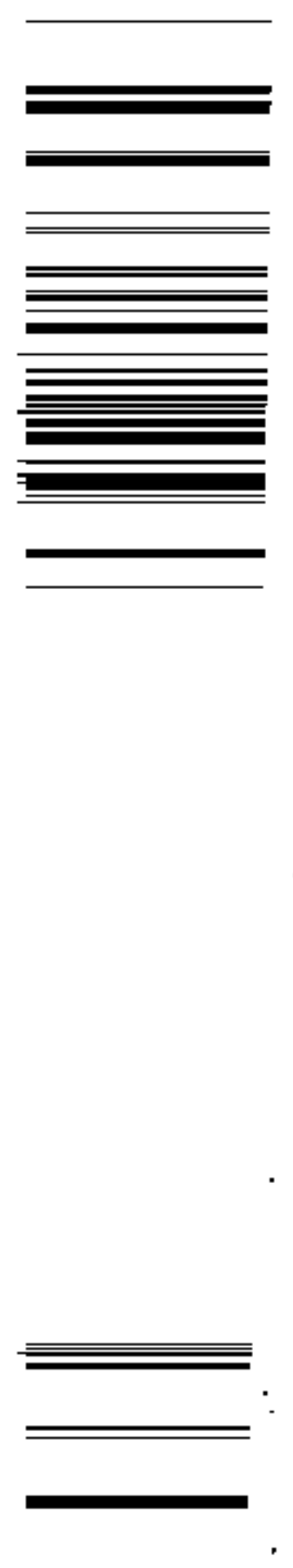
"It's the same for guidance programmes. We are told to make

changes and given the material, but we don't quite know how to handle it because the environment is so much lagging behind."

□ □ □

Toll on parents:

"The upkeep of a school is heavy. We need a lot of money over and above that supplied by the Government. We receive a limited allowance, but it costs many thousands more every year to pay for and maintain all the sports equipment, audio-visual and educational aids, buses, transport, swimming pool, tennis courts and the grounds. Much of this is raised by the





# Council of teachers will get details on pay

322 350  
355  
RDM 17/2/81

CAPE TOWN. — Details of pay increases for school teachers would be passed on to the executive of the Federal Council of Teachers' Associations immediately, the Minister of National Education, Dr Gerrit Viljoen, said yesterday.

Reacting to the announcement by the Minister of Finance of a 20% increase in teachers' salaries, Dr Viljoen said the real increases varied, and no deduction could therefore be made regarding the extent of the increases at this stage.

This would only become known once the full details had been made available to all sectors of the teaching profession.

Dr Viljoen said he had arranged for the details of the new salary structures to be made known to the executive of the Federal Council of Teachers' Associations as well as to official representatives of the different educational sectors dealing with the co-ordination of salary affairs, on a confidential basis.

The Government had accepted the report of the project committee of investigation into the status of teachers for the purpose of determining the amount to be made available for teachers' salaries.

The report found that salaries of teachers had lagged behind those paid for comparable jobs in the public and business sector.

Apart from the improvements which had been approved, the Government had also decided to approach education in the context of career differentiation in the Government sector.

High priority was given to extending the salary scale on the first level.

Salary differentiation on the basis of qualification categories would be retained and the Government had decided, against the recommendations of the project report, to continue to move towards parity between the salaries of men and women teachers.

The decision to make the posts of provincial directors of education equal salarywise to those of deputy directors meant that the ceiling for the salary structure of teachers would be lifted considerably, Dr Viljoen said.



# Public servants get 12 1/2% election pay rise

EDM 17/2/81

355  
351

350  
355

419  
411

By HOWARD PREECE  
Financial Editor

PAY rises ranging from an average 12% for general public servants to more than 20% for senior teachers were announced yesterday in a R720-million package in the mini-Budget.

The hope of the Minister of Finance, Mr Owen Horwood, is to combat widespread crises in the public services while not fuelling the already disturbingly high 15% level of inflation in the economy.

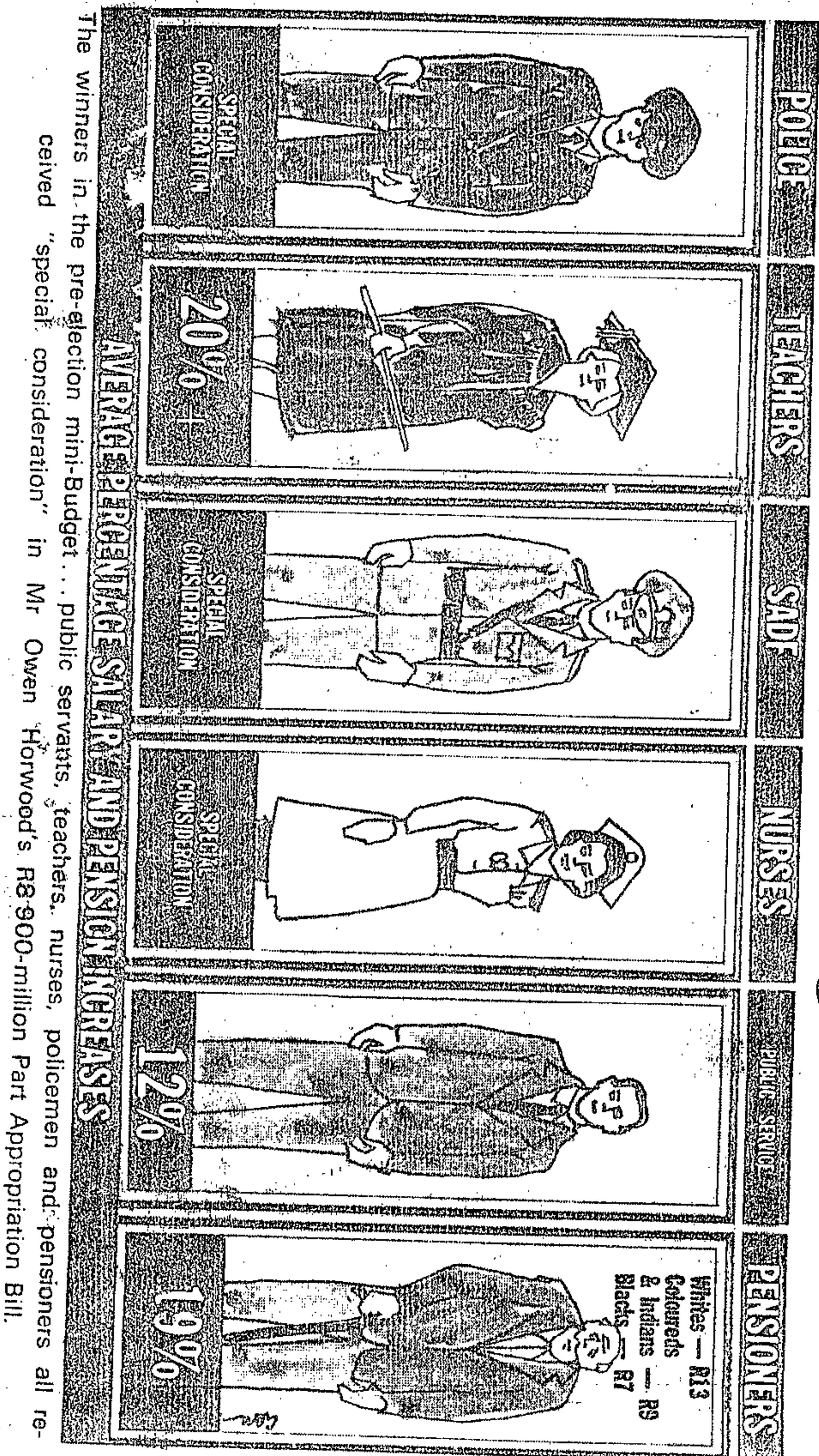
Mr Horwood also announced increases in old-age and other pensions, and some easing of exchange controls — including allowing more to be taken overseas for holidays.

And he paved the way for further possible interest rate rises, particularly on the man-in-the-street's bank overdraft.

Mr Horwood said that public servants would get a basic pay rise averaging 12% from April 1.

However, over and above that, some groups would get additional special treatment. These included police, military, prison staff, health and nursing staff, and judicial staff of the Department of Justice.

Teachers in the upper grades would be paid an average 20% more.



Graphic: GAIL IRWIN

Among key points in Mr Horwood's Part Appropriation Bill are:  
• Old-age pensions will go up from October 1 by R13 a month for whites, R9 for coloureds and Indians and R7 for blacks.



In addition, "one-off" bonuses of R30, R24 and R18 respectively will be paid from April 1 — and maybe more later.

- Civil and military pensions will rise by 12% from April 1;
- The Government will raise the 14% maximum interest rate ceiling on borrowing. Some overdraft rates could then go above this level.

"The Government will not hesitate to allow interest rates to rise to their natural market-determined levels," Mr Horwood said.

- No action is to be taken yet on the proposed tax clamp on fringe benefits — but it is still in the pipeline;

- There will be a 3c-a-litre duty cut on fortified and sparkling wine;

- A new series of National Defence Bonus Bonds is to be introduced from April 1 with a basic rate of interest of 9% (previously 8%);

- There is to be some easing of exchange controls. One effect will be a rise in the adult overseas travel allowance from R3 000 a year to R4 000. Other holiday and business allowances are to be increased;
- Emigrants will be able to take furniture and motor cars out with a maximum value of R20 000 each, against the present R10 000;

- The number of Krugerrands available for sale in South Africa will be increased from 150 000 ounces a year to 300 000;

- Foreign-controlled companies will be allowed to borrow more within South Africa;

- The Government is to push ahead with plans to make pensions transferable, but will relax some provisions.

Mr Horwood said the pay increases being granted to the public services were the most the country could afford if inflation was to be contained.

# A record R720m in salary increases

THE ASSEMBLY. — A record amount of R720-million was allocated in yesterday's mini-Budget to improve salaries and working conditions for public servants by 12%.

Announcing the figure, the Minister of Finance, Mr Owen Horwood, said it was "very substantially" the largest sum the Government had ever made available for this purpose.

"The record amount allocated is the furthest that the Treasury could conceivably go if there is not to be a grave risk of fuelling the fires of inflation still further," he said.

"The additional burden on the Exchequer has to a large extent arisen as a result of the substantial and, in certain cases, excessive increases in

salaries granted in the private sector," Mr Horwood said.

There was a need to safeguard the public sector in order to maintain essential services, he said.

The private sector should not see the public service increases as the start of a general round of salary and wage increases, he said.

In addition to basic salary increases, special treatment would be given to the police, the military, prison staff, health and nursing staff, and Department of Justice staff.

The special treatment was a result of personnel problems and from the findings of last year's intensive investigations.

Teachers would receive an average increase of 20% from

April 1, Mr Horwood said.

"The policy of vocational differentiation necessarily implies that due to the nature, demands and circumstances of occupations, as well as the supply and demand situation in the labour market, the various vocational groups cannot all receive the same percentage increase," Mr Horwood said.

Certain categories of teachers would actually receive more than the average 20% increase for fully qualified teachers.

Basic salary adjustments had also been made for other groups.

The commission for administration was still processing full details of all groups and was having protracted talks with in-

terested parties.

"This is a time-consuming process, and the commission must be given the necessary opportunity to complete what amounts to a very detailed exercise," Mr Horwood said.

"I wish to assure the House that the Cabinet has given serious consideration to the adjustment of salaries and conditions of service in the public sector.

"What is needed now is the greatest measure of productivity and efficiency from every sector of the economy," he said.

The process put into motion by the Prime Minister's personal intervention some time ago had now been brought to a satisfactory conclusion, he said. — Sapa.

## Professor George Menzies Prize

Awarded on results of final examinations to the best male student in Land Surveying or Civil Engineering.

J H Rens

## Sammy Sacks Memorial Prize

Awarded to the student with the best classwork in Engineering Drawing.

L Menegaldo

## CHEMICAL

## A E & C I Prize

For the first year student obtaining the highest average mark.

G L Cragg



# Mini-budget called a case of **Vote now**

## pay later

**CAPE TOWN —** Opposition parties yesterday blasted Mr Owen Horwood's mini-budget in which all civil servants — and MPs — were granted pay increases ranging from 9,2 per cent to well over 20 per cent.

The Progressive Federal Party's Mr Harry Schwarz, accused the government of using the budget for the April general election and added that it was a case of "vote now, pay later".

And the New Republic Party financial spokesman, Mr George Barlett, described the mini-budget as an "election gimmick".

Both spokesmen also accused the government of exacerbating inflationary trends in the economy which, they said, would hit the ordinary man in the street.

They were reacting to the speech by Mr Horwood, the Minister of Finance, in the Assembly, in which he announced salary increases totalling R720 million.

Mr Horwood said that special treatment would be given to teachers, policemen, soldiers, prison officials, nurses, health officials, and the Department of Justice's judicial staff.

He did not disclose details of the "special treatment" but said fully qualified teachers and those in upper grades would on average be paid "upwards of 20 per cent".

Mr Horwood also announced in his R8 900 million mini-budget:

- Increases in social, civil, war veteran and military pensions.
- A special, one-off bonus payment to pensioners, amounting to a R30 grant to white pensioners.
- A three cent per litre tax cut on sparkling and fortified wine, apple, pear and orange beverages.
- An extra R8 million in flood relief, bringing the total to R10 million.
- An increase in travel and exchange allowances.

The mini-budget did not

deal directly with taxation proposals, but Mr Horwood hinted that the tax threshold would be raised and that some taxpayers might no longer have to submit returns.

He said he was considering a system of final deduction of PAYE so that people whose incomes were basically salaried would no longer have to render further tax returns.

Pensions would be increased by R13 for whites, R9 for coloured and Indian people and R7 for blacks.

The special bonus benefits for pensioners, to be paid in April, would amount to R30 for whites, R24 for coloureds and Indians and R18 for blacks.

The increase in social pensions would take effect in October, while the increase in civil pensions would take effect in April.

Mr Horwood also extended the levels of the means test to include people with higher incomes than before.

The pension payout would amount to R65 million in the coming financial year and R150 million in a full year.

Mr Horwood said he hoped a further bonus payout could be made to pensioners in the second half of the year.

No decision had yet been made on the taxing of fringe benefits but the minister said he hoped a final decision would be taken before August.

He also announced new travel allowances which would enable travellers to take out R4 000 a year on holiday and R7 000 on business.

Turning to defence

**BARRY STREEK** Political correspondent

- R720m wage increases
- Some teachers 20pc
- Pension rise and bonus
- Travel allowances up
- 3c cut on wines

**Details page 10: Reaction page 11**

bonus bonds, the minister said a higher interest rate would be paid from April 1.

The number of Kruger rands available to the South African public would be doubled immediately and 300 000 ounces of gold would now be sold per year.

The new defence bonds would now carry an interest of nine per cent, and not eight per cent as at present, with an additional five per cent being paid on redemption after five years. This would give an average return of ten per cent a year.

Few details of the salary increases were revealed in either Mr Horwood's speech or in separate statements by the Minister of National Education, Dr Gerrit Viljoen, and the Minister of Internal Affairs, Mr Chris Heunis.

But Mr Horwood did say that the average increase would be 12 per cent with greater increases for lower-paid staff tapering down to 9,2 per cent for the upper echelons. — PC.

(News by Barry Streek, Press Gallery, House of Assembly.)



DB 17/2/81

# Teachers, nurses wait and see but pensioners angry

CAPE TOWN — There was guarded reaction from teachers, nurses and policemen yesterday because the exact amount of the salary increases announced in Mr Owen Horwood's mini-budget had not been worked out. But there was more angry reaction from pensioners whose increases were described as still being below the headline.

The Minister of National Education, Dr Gerit Viljoen, that the increase was "the largest single salary improvement in the history of the teaching profession".

But he added that the amount needed to put the teaching profession in a competitive position should have been larger than that announced.

Prof Maree said it was possible that the improvements announced might serve as a first instalment in the settlement

of an account to teachers which was long overdue and had created many problems for the profession.

The Cape Teachers' Professional Association also met yesterday with the Minister of Internal Affairs, Mr Chris Heunis — who is responsible for coloured education — to hear how the increases would affect coloured teachers.

Mr Pat Samuels, president of the Durban-based Teachers' Association of

South Africa, said last night a 50-year battle by Indian teachers for parity in pay with whites had been largely won.

Speaking after an earlier meeting with Mr Heunis, Mr Samuels said from April 1 about 80 per cent of the 7 000 Indian teachers would be receiving equal pay as a result of the closing of the wage gap.

A spokesman for the non-racial National Education Union of South Africa said there was a danger that the government

would use the new salary scales to substitute qualifications for race in pay discrimination.

"We hear that the biggest increases are going to go to 'D' category teachers (matric plus four years' experience)," he said. If this is so, few blacks have these qualifications and the salary gap will be widened rather than narrowed.

"There is a strong case for paying by the job rather than by qualifications," he said. The president of the

South African Nursing Association, Prof Charlotte Searle, said in Pretoria, she had been told by the Minister of Health, Dr L. Munnik, that certain critical categories of nurses would get increases of up to 20 per cent.

"But we can't say which these categories are until we have studied the new scales."

The minister had also told her that overtime payments would be doubled, Prof Searle said. "The board of the SA

Nursing Association is not satisfied with an overall 12 per cent increase which does not even meet the increased cost of living, but we realise that these scales must be considered in the overall context of the public service salaries."

Prof Searle said the board would, however, have to reopen negotiations again immediately.

"In the meantime, it must appeal to nurses not to panic because we do not

yet know how much benefit will accrue to nurses in the critical areas — that is in the sisters' ranks."

The opinion of the "man on the beat" on the announcement of 12 per cent and more for the police was summed up by one senior policeman in the Cape: "It's nothing to sing about."

How much is the "more", a number of members of the force asked.

deep disappointment and white pensioners claimed that their increases for 12 months did not constitute a "living wage" in the face of rampant inflation and dramatic rent increases.

The director of the National Council for the Aged, Mrs Zenilda Drost, said she was grateful for the hand-out, but it was still inadequate in view of the rising cost of living.

She expressed particular concern for elderly urban blacks who, despite a R7-a-month increase, had to make do with a pension of R40 a month. She said the new pension of R120 for whites was still below the headline

Pensioners reacted with DDO SAPA.



CT 17/2/81 (254) (355) (15)

## Increases: Nursing body 'not satisfied'

Own Correspondent

PRETORIA. — The Board of the South African Nursing Association was "not satisfied" with the overall 12 percent salary increases for nurses, the president of the association, Professor Charlotte Searle, said last night.

The increases did not even cover the increased cost of living, she said.

The board would have to reopen negotiations "immediately".

She appealed to nurses not to panic "because we don't know how much benefit will accrue to the nurses in the critical areas — that is in the sister ranks."

This would take time because the salary grade of every nurse would have to be studied. Nurses would not know the extent of their increases till they saw their scales.

"The Minister of Health ad-

vised me that certain critical categories will get up to 20 percent, but we can't say which these categories are until we have studied the new scales."

The Minister of Health, Dr L. A. P. A. Munnik, said, however, that overtime payments would be doubled at least.

"We realize these scales must be considered in the overall context of public service salaries."

The overall salary increases "will not help much" unless a final decision had also been reached on the realistic payments of differentiated salaries for unpopular hours, danger money and a better deal for part-time nurses and better standby allowances.

"The minister has given me his personal assurance he will concern himself with the effort to find solutions to the other crucial, critical areas," Professor Searle said.



## THE MINI-BUDGET

# Teachers cautious over pay increases

355 RDM 17/2/81

By MARTIN FEINSTEIN  
TEACHERS and educationists reacted cautiously to their average 20% salary increase yesterday.

They said the extent to which the increase would relieve the shortage in the profession and satisfy angry teachers depended on how the average figure "panned out" among the various grades.

And several educationists warned that if the increases weighed heavily in favour of well-qualified teachers, reaction from their less-qualified colleagues would be strong.

The presidents of both the Transvaal Teachers' Association (TTA) and the Transvaalse Onderwysersunie (TO) — as well as the chairman of the Federal Council of Teachers' Associations — were in Cape Town yesterday for a meeting with the Minister of National Education, Dr Gerrit Viljoen, and could not be contacted for comment.

Dr Viljoen was expected to give full details of the increases to the meeting, which

was also attended by the Transvaal Director of Education, Professor J H Jooste.

A TTA source said that no official statement could be expected until the association had digested the implications of the increases for all ranks of teachers.

"There are so many teachers — and aspirant teachers — anxiously waiting to hear what this figure holds in store for them that to comment prematurely would be irresponsible," he said.

However, he said, even newly-qualified teachers would not be satisfied with "anything less than 20%".

Teachers would also like to know whether the increase applied equally to all races, he added.

The Cape Teachers' Professional Association (CTPA) also met yesterday with the Minister of Internal Affairs, Mr Chris Heunis — who is responsible for coloured education — to hear how the increases would affect coloured teachers.

Dr Isaac Kriel, a prominent

educationist and principal of Johannesburg's Damelin College, said the increase would be "a move in the right direction" if it favoured both headmasters and newly-qualified teachers.

"The headmasters have a mammoth responsibility in running big organisations of up to 1 100 people," he said. "In commerce they would be senior executives."

"Although every category should be well paid, they are the people who should motivate teachers, and they represent future prospects for our present teachers."

Dr Kriel, who cautioned that "there might be a suggestion of disappointment" after speculation that the increases would average 28%, said he hoped the increases would act as an incentive for newly-qualified teachers who were looking at other more lucrative careers.

"Many young men who trained as teachers are taking advantage of the explosion in the computer industry, and many young women are taking advantage of the semi-boom

and working as secretaries, commanding fancy salaries.

"Hopefully they will now reconsider their position, and it may also help the under-enrolled training colleges," Dr Kriel said.

He said teachers wanted to know "in black and white, and as soon as possible" what the average increase meant.

They also wanted to know whether their black counterparts would be included in the "new deal".

A spokesman for the nonracial National Education Union of South Africa (Neusa) said there was a danger that the Government would use the new salary scales to substitute qualifications for race in pay discrimination.

"We hear that the biggest increases are going to go to 'D' category teachers (matric plus four years' experience)," he said.

"If this is so, few blacks have these qualifications and the salary gap will be widened rather than narrowed."



## No hint of shocks that lie ahead

**GERALD REILLY**  
Pretoria Bureau

THE Minister of Finance, Mr Horwood, yesterday gave no hint of the cost-of-living shocks which lie ahead in his part appropriation address.

In a typical pre-election budget, he conspicuously avoided mention of the expected increase in all Government-administered food prices and other prices this year.

Most will be announced within days of polling day — April 29.

They include all dairy products — fresh milk, butter, cheese, powdered milk — maize and maize products, and a higher floor price for meat. The increases are expected to be between 15% and 20%.

The Minister has so far ignored pleas from the Progressive Federal Party, and from the country's two major trade union organisations, the Trade Union Council of South Africa, and the SA Confederation of Labour, that general sales tax should be removed from basic foods.

Last year food prices rose by 30% — a major factor in sending the Consumer Price Index figure for the lower income group to near 20%.

Nor did the Minister refer to the Railway mini-budget to be tabled next Monday which, according to the PFP's transport spokesman, Mr Rupert Lorimer, is certain to include higher railway tariffs.

## Commerce hails pay increases

THE angling of differentiated pay increases for public workers towards teachers, nurses and police was a welcome step to support the structure of basic public services in South Africa, Mr C W H du Toit, president of the Federated Chamber of Industries (FCI) said in Johannesburg.

Sapa reported that the FCI also welcomed Mr Horwood's continued basic commitment to fiscal discipline, and to bring money supply under more effective control to contain inflationary pressures.

Mr Du Toit said raising the local borrowing ceiling for local subsidiaries of foreign companies would, on balance, stimulate domestic investment and production capacity.

This, with the easing of exchange control, would assist in reducing the inflationary threat of the liquidity overhang.

GERALD REILLY of the Pretoria Bureau writes that Mr Raymond Parsons, executive director of Assocom (Association of Chambers of Commerce) said last night that the mini-Budget reflected the basic strength of the South African economy — even though inflation remains a serious problem.

It was only right that serious

inequities in public service pay should be redressed, he added.

It also highlighted the need to continue with fundamental labour policies designed to tackle the underlying causes of the critical skilled manpower shortage.

Mr Jan Horn, the president of the Afrikaanse Handelsinstituut (AHI), said first impressions of the mini-Budget were that the Government had not deviated from its policy of financial discipline, and the proposed meeting on inflation between the Government and the private sector was sound.

Mr Horn said it was difficult at this stage to make a full interpretation of the salary announcement. Pay constituted about 20% of all State expenditure. This indicated the Government's policy to be an important guideline to the whole economy.

If the private sector succeeded in holding salary adjustments in line with the State, it would be an important contribution to combating inflation.

The AHI welcomed the teachers' increases, but said attention should be given to differentiated scales to acknowledge that in some categories shortages were more serious than in others.

# Nurses and opposition dissatisfied with increase

Star 12/2/81

Medical Correspondent  
Nurses and opposition spokesmen on health are dissatisfied with salary increases for nurses.

Professor Charlotte Searle, president of the South African Nursing Association, said the association was not satisfied with an overall 12 percent increase, which did not meet the increased cost of living.

The Minister had advised Professor Searle that sisters would receive increases of up to 20 percent and that overtime payments for nurses would be doubled.

Professor Searle said nurses would not know their increases until they saw their "actual scales." Commenting on the increases Mr Horace Venter, Progressive Party spokesman on health, said the Government had failed to announce how much nurses would get.

"However it is clear that anything less than 30 percent will not succeed in bringing nurses back," Doctors at Johannesburg Hospital, which is crippled by a shortage of nurses and radiographers, said the Budget would not attract qualified staff.

Mr Alex Anderson, NRP Transvaal provincial leader, stated that nurses, radiographers and other allied medical disciplines would be very disappointed. Resignations would continue, and in addition very little incentive now exists for nurses to return to the profession.

He called for appropriate travelling allowances and improvement in overtime pay.

"Unpopular hours" pay rates also required revision.



# Govt challenged to give details of pay increases

Political Staff

HOUSE OF ASSEMBLY. — The opposition yesterday challenged the government to spell out the details of salary increases to public servants, "instead of hiding behind broad statistics to avoid analysis and criticism".

The calls came during the continuation of the mini-budget debate, and followed statements by government ministers that details of the increases were still being worked out and were not yet available.

In an interview yesterday the Minister of State Administration, Dr Andries Treurnicht, said that officials were still working on the figures. He hoped that they would be avail-

able in April, so that public servants could see the benefit in their April pay-cheques.

The Progressive Federal Party representative for Sea Point, Mr Colin Eglin, accused the government of being deliberately vague about the proposals and hiding behind broad statistics and percentages instead of giving precise details of salary increases.

"Teachers, nurses, policemen, soldiers and other public servants have a right to know exactly what these pay increases mean," he said. "They have a right to see the schedules so that they know what their pay cheques will look like and how they will compare with the increases of others."

The transparent attempt to buy votes would backfire on the government as the electorate would regard it with "the deepest cynicism", Mr Eglin said.

The leader of the New Republic Party, Mr Vause Raw, said the salaries might sound good, but "the only thing that counts is what comes home in the pay packet". In the last salary increase, public servants had found that there were higher deductions in the form of taxes, pensions and other contributions.

"The one good thing is that public servants will get their pay-cheques before election day and will be able to see for themselves," Mr Raw said.

He accused the government of using the mini-budget to bribe large sections of the electorate to give it a blank cheque.

The government was ostensibly fighting the election on the undefined and ambiguous 12-point plan — and no government spokesman would spell out what it meant before the election.

"That is a safe bet," Mr Raw said.

He attacked the government for failing to measure the average salary increases against the inflation rate of almost 16 percent.

© Budget reaction reports, pages 2 and 4

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|       | M    | F    | M    | F    | M     | F     | M     | F     |
| 0-1   | 1,99 | 2,2  | 9,81 | 6,60 | 55,55 | 51,04 | 29,36 | 27,05 |
| 1-4   | 0,16 | 0,13 | 0,76 | 0,79 | 8,27  | 7,48  | 3,56  | 3,42  |
| 5-24  | 0,02 | 0,02 | 0,07 | 0,08 | 0,21  | 0,21  | 0,20  | 0,22  |
| 25-44 | 0,06 | 0,03 | 0,17 | 0,20 | 1,14  | 0,78  | 0,36  | 0,45  |
| 45-64 | 0,25 | 0,13 | 0,75 | 0,45 | 3,30  | 1,37  | 2,15  | 1,27  |
| 65+   | 1,04 | 0,72 | 1,61 | 1,98 | 5,48  | 2,78  | 5,45  | 2,93  |
| NTL   | 0,19 | 0,15 | 0,56 | 0,45 | 3,33  | 2,69  | 1,66  | 1,61  |
| NO.   | 399  | 315  | 198  | 159  | 3792  | 3146  | 3472  | 2593  |

TABLE I

MORTALITY RATES FOR THE 17 MAJOR DIVISIONS OF THE ICD (8th REVISION)

(Note: There are no tables for divisions V, XI, XII, XIII because of the small numbers in each of these categories).

INFECTIVE AND PARASITIC DISEASES



# Pay deal stated as more vow to quit

RDM 18/2/81  
 175 250 261 355 419

BY JAYNE LA MONT

**NURSES and teachers in the Transvaal have dismissed their mini-Budget salary increases as inadequate — and are warning of a "vicious circle" bringing a breakdown in the two services.**

Most nurses and teachers who contacted the Rand Daily Mail yesterday said they felt "cheated".

They said that since the rises were not big enough to lure back lost staff, more would resign — unable to handle the increased workload.

This would bring the crisis in health and education services to a "point of complete breakdown".

And in the Provincial Council last night, the Progressive Federal Party's spokesman on hospitals, Mr Sam Moss, said the increases had turned out to be a "damp squib".

He warned: "We can expect an even greater exodus of trained staff from Provincial hospital services."

Teachers have been granted 10% and more, and nurses an overall 12%. Nursing sisters will receive up to 20% more and overtime payments for nurses will double.

But many nurses said they had been told to "reappraise" to

J. H. Rens  
 B F McClelland

## Professor George Menzie Awarded on results of

Senior student nurses at a Cape Provincial hospital said the salary announcement was greeted with "apathy, disappointment and disinterest".

Teachers, too, felt the increases were insufficient.

An English teacher at a Johannesburg high school said she would resign at the end of March. "I waited until the Budget."

"It is the children that will suffer, but at the moment my own children are suffering because I cannot afford to give them the things they need."

"Even a 20% rise, in my case, would not allow me enough to live on."

One highly-qualified science teacher, who was trained in Britain, said: "These new increases will not bring me anywhere near what a newly-qualified teacher in my subject gets in Britain. It's just not worth it."

And the Transvaal Education Department yesterday disclosed 1981 enrolment figures for training colleges showing a drop in the number of male students.

The Minister of Education and Training, Dr Ferdie Hartzenberg, said the mini-Budget announcement showed the Government was prepared to fulfil its promise to bring black teachers' service conditions in line with those of other population groups.

Deciding on their future, those who had agreed to do so felt the wait had been futile.

Most of the 20% increase was apparently covering those in "crisis" areas, such as sisters — they would still feel tempted to quit the profession.

Other nurses said although they had been given "some breathing space" on pay, many other urgent issues — such as working conditions and outdated equipment — had not been dealt with at all.

Professor Charlotte Searle, president of the SA Nursing Association, last night agreed that not all Sana's requests had been met.

"Of course we are disappointed that we did not get all we asked for, but one seldom gets everything one asks for."

"I would appeal to all nurses to wait until the actual figures for their categories are announced before they panic."

Prof Searle said Sana would reopen negotiations with the Government on the issues which had not been dealt with.

But despite her appeal, many nurses said they had already waited "far too long" and had decided to resign.

Most nurses and sisters spoken to agreed the only reason they had remained in the profession until now was because "we believed that we would get a better deal".

A doctor at a large Provincial hospital said the salary announcement had done little to dispel "the deep gloom" of nurses and warned that, judging from their reaction yesterday, "we can expect many more resignations in the near future".

CHE



# Spell out pay raises, Govt told

By HELEN ZILLE  
Own Correspondent

CAPE TOWN. — The Opposition yesterday challenged the Government to spell out the details of salary increases to public servants, "instead of hiding behind broad statistics to avoid analysis and criticism".

The calls came during the continuation of the mini-Budget debate and followed statements by Government Ministers that details of the increases were still being worked out and were not yet available.

In an interview yesterday, Dr Andries Treurnicht, Minister of State Administration, said officials were still working on the figures. He hoped they would be available in April.

Speaking in Parliament, Mr Colin Eglin accused the Government of being deliberately vague about the proposals, and hiding behind broad statistics and percentages instead of giving precise details of salary increases.

The transparent attempt to buy votes would backfire on the Government as the electorate would regard it with "the deepest cynicism", Mr Eglin said.

Mr Vause Raw, leader of the New Republic Party, said the salaries might sound good but "the only thing that counts is what comes home in the pay packet".

In the last salary increase, public servants had found there were higher deductions in the form of taxes, pensions and other contributions.

"The one good thing is that public servants will get their pay cheques before election day and will be able to see for themselves," Mr Raw said.

He accused the Government of using the mini-Budget to bribe large sections of the electorate to give it a blank cheque.

Mr Raw attacked the Government for failing to measure the average salary increases against the inflation rate of almost 16-0/0. To start with the public service was already 16-0/0 behind.

"With an average increase of 12-0/0 they will only be about 4-0/0 behind. By next year they should be about 20-0/0 behind once again," he said.

"People won't be blinded again by figures and statistics. They have learned their lesson," Mr Raw said.

CHEMICAL

best student in each  
nd, 3rd and final years.  
Year (Bronze Medal)  
C Littlewort  
Year (Silver Medal)  
C Davidson  
Year (Gold Medal)  
Simon  
mming  
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ions to the best male  
in Land Surveying or  
gineering.  
cks Memorial Prize  
to the student with the  
sswork in Engineering  
do  
Prize  
first year student  
the highest average



# Pay rises: Nurses unimpressed

CT 18/2/81  
Staff Reporters

SEVERAL senior student nurses working for a provincial hospital in Cape Town said yesterday that they were unimpressed by pay rises announced in parliament in this week's mini-budget.

The announcement by the Minister of Finance, Mr Owen Horwood, of an overall 12 percent pay increase for nurses was greeted with "apathy, disappointment and disinterest", they said.

For many second-year student nurses, a 12 percent rise means an extra R25 a month, and they claim that this amount will be swallowed up by post-election taxation moves.

Several said that when their pay went up, so usually, did their residence fees at the hospital. The general feeling was that the increases meant "absolutely nothing".

Most of the nurses said salaries were a major but not the only factor of their discontent. They were working long hours in bad conditions, and

recruitment problems would not be solved by the government supplying "token handouts".

The local branch of the South African Nursing Association will meet on March 3 to discuss the pay increases and will make an announcement about its value.

The Administrator, Mr Gene Louw, said yesterday that he had no details about the pay rises for nurses, but that the only solution to the critical shortage was to pay more. "There is no other way. Improved salaries will attract more people to the profession. We also need many more coloured nurses in our hospitals."

Professor Paddy Harrison, head of the Nursing Department at the University of Cape Town and vice-president of Sana, said it was too soon to tell how much nurses would benefit from the pay rise. Nurses' problems were not those of pay alone but were multi-faceted and included working conditions and

overtime.

Miss Ralie du Plessis, executive director, said from Sana headquarters in Pretoria that she had not received specific details of the rises. The new scales would be known only in three weeks' time.

It is known that some nurses will receive more than others, depending on how critical the pay problems are in specific cases.

However, Professor Charlotte Searle, president of the association, has already said that the increases "did not even cover the cost of living". She said the board of Sana would have to reopen negotiations with the government immediately.

• The Cape Times correspondent reported from Johannesburg last night that Transvaal nurses and teachers have dismissed their salary increases as "inadequate" and predicted that a "vicious circle" would develop in the health and education professions.

Most of the nurses and teach-

ers contacted yesterday said they felt that they had been "cheated". As the increases were not enough to lure back "lost staff", more would resign because they could not handle the increased burden of work — bringing the crisis, they said, to a "point of complete breakdown of services".

Many said they had been told they should wait for the mini-budget before resigning. Those who had agreed to do so felt the wait was futile.

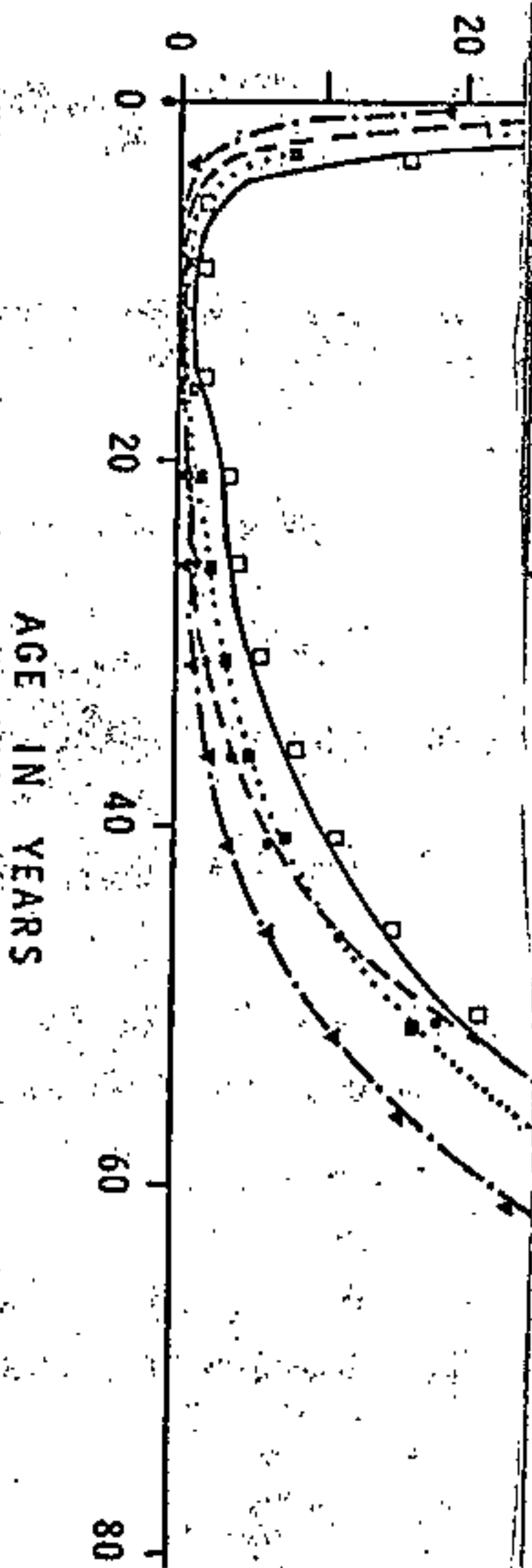
Most nurses agreed that even if their categories were to fall into the 20 percent increase region — apparently to be allocated to those in "crisis" areas, such as sisters — they would still feel tempted to leave.

Other nurses said that although they had been given "some breathing space" — and overtime payments would be doubled, many other urgently-requested issues, such as working conditions and outdated equipment, had not been touched on.



# Cautious reaction to pay rises

DD. 18/2/81  
# 355



**EAST LONDON** — Initial local reaction to Monday's mini-budget announcement by the Minister of Finance, Mr Owen Horwood, is generally "wait and see".

Spokesmen for teachers, nurses, pensioners and commerce said more details were needed.

All praised the announcement as a step in the right direction by the government to overcome the public service crisis.

But some suggested the crisis was not over yet.

Particular caution came from commerce and teaching association spokesmen.

The vice-president of the Federal Council of Teachers' Associations, Mr John Stonier, said the Federal Council still had no specific details.

"We generally feel the sum of money set aside looks promising. It is the biggest single amount ever set aside for salary increases," Mr Stonier said yesterday.

The Federal Council had lengthy discussions with the Minister of National Education, Dr Gerrit Viljoen, on Monday.

"We were not given any specific details but it seems that virtually no

one will receive less than 20 per cent," he said.

Mr Stonier described the increases as the beginning of a concerted government programme to get the teaching profession back to a healthy position.

"The whole status of the educator has been researched and investigated by Dr Roux Venter who completed his report a month ago.

"This report has had a far reaching effect on government thinking on the subject and we believe the government has accepted this report and is implementing it," Mr Stonier said.

Details of Dr Venter's report have not been made public, but Dr Viljoen told the Federal Council it would be made public in time.

The report has not yet been printed and circulated to all teachers.

A spokesman for the Border Chamber of Commerce, Mr Tony Selley, said no details on the increases were known yet.

"I just hope it doesn't turn out like last year which was a real flop," he said.

"But it appears to be good and if so we will be extremely delighted,

"It is a pity it has taken so long and I hope now the situation will be stabilised.

"The major problem, however, is still inflation and this is a problem we will have to live with."

The chairman of the East London branch of the South African Nursing Association (Sana), Miss B. Haddad, said she did not want to make any comment at this stage.

"Our executive will be meeting early next month and until then I will not be able to make any official comment on their behalf," she said.

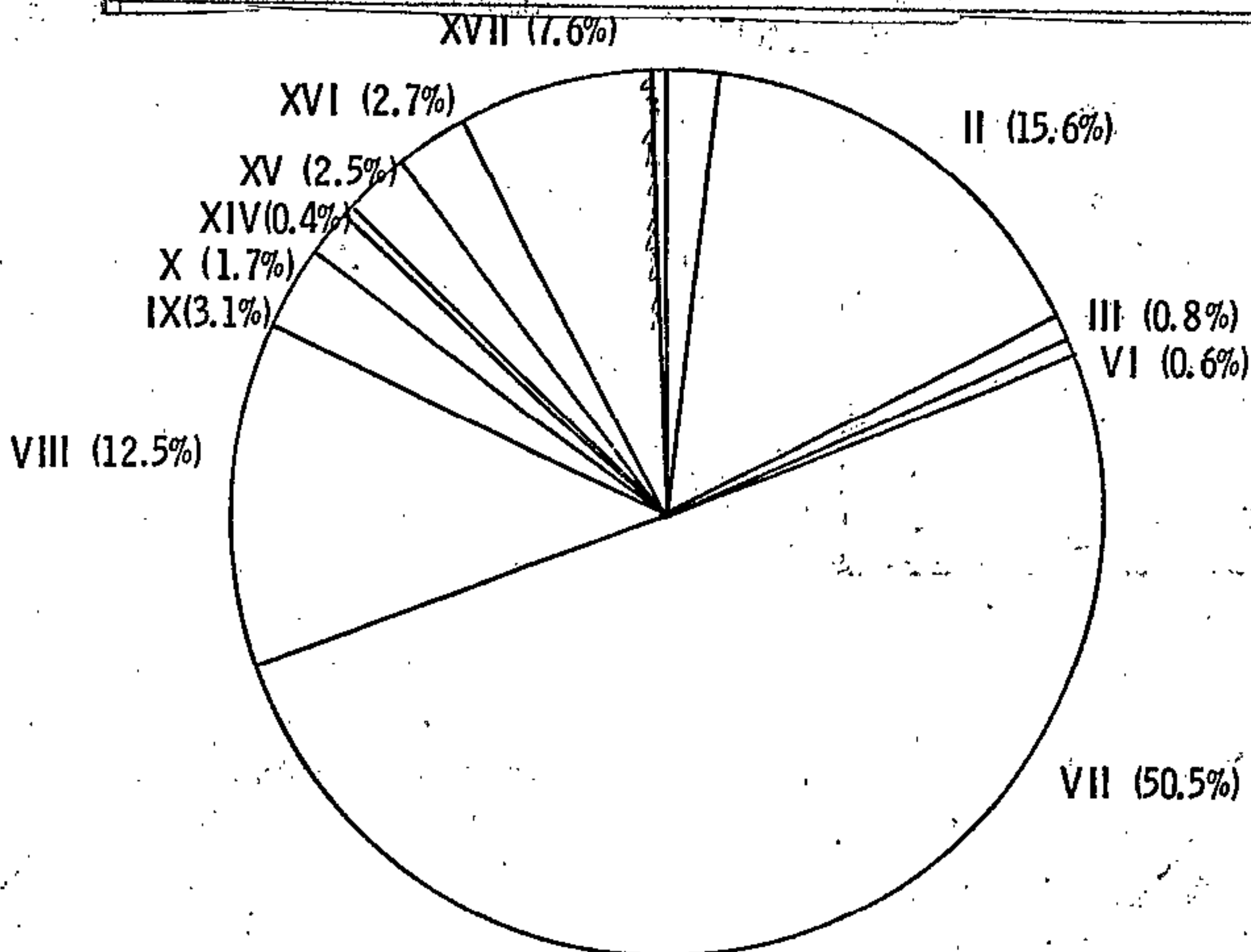
Miss A. C. Mbalu, a senior matron at the Frere Hospital and delegate to a recent national congress of Sana, was also cautious.

"Details of salary increases for nurses are not clear yet," she said.

"Our feeling has always been for a narrowing of the wage gap between black and white nursing sisters and it remains to be seen if the new scales have this effect or not."

The chairman of the South African Legion, Mr Alan Barker, also declined to comment on the pension increases saying more information would be needed. — DDR

More reaction, page 13.





# Pay increase hopes of PO and Railways workers dashed

By GERALD REILLY  
Pretoria Bureau

THE hopes of the country's 270 000 Railway workers and 78 000 Post Office workers for increases which would fully compensate for South Africa's 15% inflation rate have been dashed by the 12% rises given to State and provincial department workers.

And the smouldering discontent in both services will continue.

The Railways increases will be announced by the Minister of Transport, Mr Hendrik Schoeman, when his Part A proposition Bill comes before the Assembly on Monday.

Post Office workers will hear about their increases from the Minister of Posts and Telegraphs, Mr Henne Smit, when the Post Office's Part A proposition Bill is read on February 26.

The Railways 155 000 black workers and the Post Office's 32 000 black workers will get bigger percentage increases than those granted to whites.

However, as has happened in the past in spite of the Government's often-stated commitment to closing the wage gap in actual money terms the gap will again probably widen.

The artisan staff association executive asked the Minister of Transport last year to close the pay gap immediately and introduce a policy of the rate for the job.

This was rejected, because of the amount involved, but a commitment to eliminating the gap over the next five years was made.

The secretary of the Posts and Telegraphs Association, Mr Daan Coetsee, said there would be disappointment among Post Office workers if the increases were not in excess of 12%.

They are all hoping for more than 12%.

Mr Coetsee said there were two solid reasons why Post Office workers expected more than the average public servant.

Most worked a five-and-a-half-day week and they worked two hours a week more than State department workers.

State department workers 42 hours compared with 40 hours in the State departments.

Government sources pointed out in Pretoria yesterday that a 12% increase would mean an additional R20 million on the Railways wage and salary bill bringing the total to about R1,500 million a year.

The Post Office's annual wage bill calculated on the latest Department of Statistics figures is R432 million.

Between R50 and R60 million would therefore be needed to provide for a 12% increase.

## Malan Chemical Engineering

For the best student in each of the following years:-

Second Year (Bronze Medal) A H Dabrowski

Third Year (Silver Medal) C L E Swartz

Fourth Year (Gold Medal) L Flach

Malan Prize for the most improved First Year Chemical Engineering Student K W Strickland

S A Institution of Chemical Engineer's Silver Medal

For the best performance in project, design and practical courses over the 4-year curriculum. P M Salmon

L T A Construction Prize For the final year Civil Engineering student submitting the best thesis. G P Mitchell

S A Federation of Civil Engineering Contractors' Prize For the best final year design showing constitutional merit. K N Hvidsten

S A Institution of Civil Engineers Student Chapter Prize

For the best written report submitted in C E 214, design P C Watt



NW 20/2/81  
Steel workers may get 20pc pay rise

Financial Editor  
INDUSTRY sources expect that the 500 000 workers in the Steel and Engineering Industries Federation wage agreement will get a 20 percent increase this year.

They expect the increase will become effective earlier — possibly in May or June — than the traditional July 1 date.

A Seifsa spokesman said in Durban yesterday that wage talks had not started.

As a consequence of the estimated wage rises in the

metal industry, and other factors, price rises this year in many areas are forecast.

Ironmongery is expected to rise by 15 percent; chains and steel rope should rise between 10 and 15 percent; steel from Iscor should see a 15 percent rise in July.

Non-ferrous metals are expected to go up by 10 percent. Pipes and pipe fittings should move in line with the steel price, probably 10 to 12.5 percent.

Engineering work based on the anticipated Seifsa wage award of 20 percent and an Iscor price rise of 15 percent means an expected 15 percent rise in these costs.

Mr Ben Nicholson, general secretary of the 30 000-strong Amalgamated Engineering Union, has indicated that they will be pressing for rises to match the consumer price index (up to December it was an annual 15.8 percent).



Coal tariffs will rise by 10.8%. The tariff for moving unworked steel in less than truck-load quantities is being increased by about 11% but rates for worked iron and steel products in truck load quantities are being adjusted downwards by 34%.

Agricultural products tariffs are being raised by an average of 15.8%.

The cost of transporting livestock will go up by 15%.

The conveyance of petrol between Durban and the Rand is to be increased by 0.63c a litre and that of diesel by 0.84c a litre.

Mr Schoeman said that when the original working estimates for this year were being compiled, the revival in the South African economy was gaining momentum and an economic growth rate of 5% was anticipated for the 1980/81 financial year.

"However, the upswing in the business cycle occurred much earlier and was much stronger than anticipated, mainly as a result of the rise in the average price of gold and an increase in consumption expenditure.

"The economy has now reached a stage where production capacity has, to a large extent, been taken up, while bottlenecks are being experienced owing to restrictive factors such as the dearth of skilled labour.

"Although a levelling-off in the growth rate is expected, it should remain decidedly positive."

Mr Schoeman said that all the tariff increases were, unfortunately, unavoidable but the revenue to be derived from them would amount to only 0.9% of the gross domestic product.

Speaking at a Press conference yesterday, Mr Schoeman said South African Airways had had to cope with an increase of 120% in fuel prices in the last two years. The price hikes caused the airline to run at a loss of R64-million in the last 12 months, he said.

If passenger air fares and cargo rates were raised by 15%, SAA might just break even. The Minister said the South African Railways had operated passenger services at a total deficit of R600-million. The State would contribute R241-million towards making up the deficit.

The rest had to be found through tariff increases.

Mr Schoeman said the tariff increases announced in the railways and Harbours Part Appropriation Bill, were still lower than the rate of inflation. — Sapa.

# R225m

## boost

to R20M

24/2/81

pay 270  
355

## of SAR

## staff

**THE ASSEMBLY.** — Railway workers' salaries will be boosted by R225-million from April 1, while Railway pensions will be upped by 12.2%, the Minister of Transport Affairs, Mr Hendrik Schoeman, announced yesterday in the Railways Part Appropriation Bill.

He also announced increases in Blue Train and other Mainline fares as well as raised suburban fares and goods tariffs.

Oil pipeline costs are also raised, but the cost of rolling worked iron and steel products in truck loads is to be reduced.

Mr Schoeman said that all the tariff increases were, unfortunately, unavoidable but the revenue to be derived from them would amount to only 0.9% of the gross domestic product.

He said the salaries of white employees would be increased by 12.5%.

"In the case of non-white employees an adjustment will be made to narrow the salary gap in accordance with Government policy.

"At the same time all non-white employees are to be accorded salaried status," he said.

Blue Train fares will be increased by between 30% and 50% while ordinary mainline tickets will go up by 15%.

Turning to suburban fares, Mr Schoeman said: "To meet workers, suburban fares for weekly and monthly tickets are to be increased by less than the average of 15%.

In the case of third class fares the increase would be 12%, or less than 0.05c a

kilometre. The gap between high and low rated traffic was being narrowed by 3.8% by increasing the tariff on low rated traffic by 10% and that on which rated traffic by 13.3%.

Container rates are to go up by 15% while the cost of transporting empty containers is

CHEMICAL



# PO pay to rise but not tariffs

HOUSE OF ASSEMBLY. — Post Office employees are to receive salary increases generally in accordance with those granted in the rest of the public sector, from April 1.

This was announced in a one-line statement by the Minister of Posts and Telecommunications, Mr. Hennie Smit, while introducing the second reading of the Post Office Part Appropriation Bill yesterday. He did not elaborate.

Mr. Smit also said that postal tariff increases were not under consideration at present. Increases were not being considered because of the improved revenue generated by the economic upswing.

The minister asked for approval of an appropriation of R963 million for Post Office services after the expiry of the present financial year until the main Post Office budget later this year.

The expected revenue of the Post Office for the year was 3.9 percent more than budgeted for, namely, R1 133 m. against R1 090 m. Operating expenditure would also be more, namely, R975 m. against R961 m. an increase of about 1.5 percent.

The total operating surplus after providing for loan redemption and an increase of standard stock, was now estimated at 16.8 percent more than budgeted for, namely, R116.3 m. against R99.5 m.

I am also glad to be able to say that we now expect a smaller loss on the postal service than originally estimated, namely, R53 m. as against R63 m. while that on the other service which is being run at a loss — the public telegraph service — will also be smaller, namely, R13.5 m. as against R15.6 m.



GENERAL  
SAFETY  
pay less.

## study finds

CAPE TOWN — An analysis of black and coloured employment in the Cape Peninsula indicates South African companies pay lower wages on average than local subsidiaries of overseas companies.

The study, Mr Mrs Kim Weichel of the Institute for Social Development at the University of the Western Cape, also found that the foreign-owned firms offered more fringe benefits, longer annual holidays and higher bonus pay.

Six South African companies and five overseas firms replied to the questionnaire on which the survey was based.

Many of the South African companies still had segregated facilities primarily canteens, it found, whereas all the overseas companies had integrated facilities.

The South African companies generally had a higher degree of union involvement than the overseas companies. All domestic companies admitted there were recurring complaints among their workers, while not one overseas firm believed this to be the case.

Areas of similarity between local and foreign companies included induction and on the job training, but the researcher believed the standards of the training programmes were generally low.

"The overseas companies on the whole had made many more steps towards change than had the South African firms, in pay scales, benefit coverage, training programmes and general company policies," the study said. — Sapa

OVERPAST DECADE

CHANGES IN FACTORY WORKING CONDITIONS



# The price of a statutory minimum wage for all

IT'S that time of year again — the time to lobby early in the first quarter before the corridors of power become crammed with clamouring pressure groups.

Interests which get their points across early in the annual jockeying for access to decision-makers can be fairly sure of a good hearing because the floor is theirs alone.

Step forward, therefore, the Council of Unions of South Africa (Cusa), which has beaten the field to become the new year's first major lobbyist by calling again for a national minimum wage.

Cusa's quickness off the mark will make no difference, however, to the Government's opposition to minimum wage.

Reports say Cusa's call for a national minimum wage was rejected by the Minister of Manpower Utilisation, Mr Fanie Botha, last month, but the council's promptness in raising the issue again, plus the fact that Mr Botha has agreed to meet a delegation of independent black unions again over the issue later in the year, suggests that the minimum wage question could get a big airing in 1981.

Another factor likely to raise the issue's profile is the performance of the Zimbabwean labour market.

One of the first moves of the Mugabe administration was to fix a three-tier national minimum wage, effective from July 1, 1980, and rising by between 15% and 20% at all three levels from January 1 this year.

The concept has as many detractors as it has advocates, and the balance of the argument in this country is tipped by the prevailing faith in the self-correcting mechanisms of the free market, a doctrine which rules out artificial influences, such as a national minimum wage.

The counter to this view is that apartheid itself is the biggest interference with the free market, imposing artificial controls on labour mobility and even eligibility for jobs.

From the point of view of the collective bargainer, a minimum wage sets certain standards in remuneration, and therefore in living standards, for all workers.

It is aid to prevent exploitation, and remove part of organised labour's role as guardian of its membership's economic status. If it has built-in indexation, it automatically accounts for any reduction in purchasing power and prevents erosion of real income.

With a bit of tinkering, and

**Simon Willson**



**Down to business**

A company spokesman said at the time that the wage rate arose from a policy of creating as many jobs as possible to cope with "an embarrassing stream of work-seekers".

The point was that at the wage rates paid, the majority of those seeking employment could get it. If the rates were artificially fixed any higher, the job opportunities would price themselves out of existence.

Mr Fanie Botha estimates South Africa's black unemployment at about 1-million — in spite of Department of Statis-

tics figures of 478 000, or 8.6%, in the third quarter of last year. Other researchers have estimated that 25% of the potential black workforce is jobless.

Cusa's enthusiasm for a minimum wage is understandable in relation to the securely employed members the council represents.

But the council would have difficulty selling the idea to work-seekers in the undeveloped regions. They will depend on whatever companies can pay them for their employment for a good few years to come.

the installation of bracket triggers (which move earners automatically between pay categories) it can even cancel out fiscal drag.

But critics of the concept say these effects are all consequent upon an economy at full employment, in which there is no pool of unused human resources to distort labour supply and demand.

A surplus labour supply ruins the whole theoretical base on which the idea of the minimum wage is founded, and is the second reason the authorities here will not agree to a national minimum wage while current economic conditions prevail.

Not only are free market forces being allowed full rein by the Government, in which circumstances a minimum wage would be doctrinal anathema, but there is a substantial pool of unused, unskilled black labour which is one of the Government's few economic headaches.

Surplus black labour provides a breeding ground for protest, and represents a waste of resources in a fast-growing economy with spare labour capacity in several specialised fields.

Mr Fanie Botha said last year that to avoid large-scale unemployment, 1 000 jobs a day would have to be created between now and the turn of the century.

As numerous academics have pointed out before and since, the imposition of a Zimbabwe-style national minimum wage would make this target impossible to attain.

Construction company Murray & Roberts came under fire late last year for paying what worker representatives alleged were "slave wages" to casual labourers on building sites at Giyani, the capital of Gazankulu.



# Salary increases to slow this year

355

By HOWARD PREECE

A SHARP slowing in the rate of increase of real salaries and wages is likely this year, according to Dr Johan Cloete.

He reckons they could have risen by an average 5% in 1980 — that is, over and above the inflation rate.

Dr Cloete says: "Following the sharp increases in wages as well as in other costs during the past year, firms are likely to embark on cost reducing and containing exercises in general.

"In view of the need to pre-

vent a significant acceleration of the inflation rate, the Budget is also likely to be more restrictive than that of March last year, which would mean less generous (if any) tax concessions on this occasion to swell disposable incomes.

"It must also be expected that the very substantial increases in sales of motor-cars and other durable consumer goods are unlikely to be repeated in the year ahead as pent-up demand for these goods has now probably been largely satisfied.

"All these are factors which might well result in a significant slowdown in private consumption expenditure in the year ahead."

"Interest rates and the cost of money have already started to rise and are likely to rise further as lending capacity in the banking system becomes fully absorbed.

"This increase in the cost of finance will in turn affect both investment and consumption expenditure.

"Thus there are good reasons for believing that the rate of increase in total demand might well slow down quite significantly in the year ahead.

"With this the demand as well as the corresponding supply of money, irrespective of any monetary measures which the authorities might decide to take to bring about such a result."

Dr Cloete comments, however: "In the final analysis the performance of the gold price in the year ahead is likely to continue to be the dominating influence on the behaviour of total demand and of the money supply.

"A fall in the average price even to the \$500 an ounce level would almost certainly result in an appreciable slowdown in total demand, not least because of the adverse influence which this would have on business as well as consumer confidence.

"Similarly, a significant rise

in the average gold price above that of the past year would lead to a continued rapid expansion in total demand (especially in money terms) unless the authorities were to take drastic steps to neutralise the expansionary impact of such an increase."



# ROM 4/3/81 (200355) Pay rises will not ease crisis'

Pretoria Bureau

THE COMMISSION for Administration will be told today by the Public Servants Association that efficiency of vital public services is being undermined by serious staff shortages.

The PSA will also express the deep dissatisfaction among most Government workers at the recently-announced average 12.5% salary increases.

Last month the PSA sent an urgent telegram to the Prime Minister warning that the large number of vacancies — 13 000 at the last count — could affect the vital administration ser-

vices of government.

The April 1 increases would not improve the situation.

The Prime Minister referred the PSA to the Commission for Administration.

The President of the PSA, Dr Colin Cameron, said yesterday that although the PSA did not yet have full details of the increases, it was obvious that few would be satisfied.

It appeared that the middle and lower grades would get about 13 or 14%, and officials at the higher levels, including professional personnel would get 10% or less.

|     | 1      | 2     | 3    | 4     | 5     | 6     | 7    | 8      | 9    | 10   | 11    | 12    | ATL  |
|-----|--------|-------|------|-------|-------|-------|------|--------|------|------|-------|-------|------|
| 1   | 0.91   | 0.74  | 0.25 | 1.28  | 2.84  | 4.72  | 0.99 | 0.96   | 0.64 | 0.31 | 1.04  | 1.08  | 1.75 |
| 2   | 8.55   | 2.29  | 0.17 | 0.24  | 0.87  | 1.26  | 0.92 | 8.44   | 2.41 | 0.25 | 0.18  | 0.47  | 0.55 |
| 3   | 62.61  | 8.12  | 0.07 | 0.07  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| 4   | 30.54  | 4.78  | 0.19 | 0.40  | 2.01  | 10.16 | 2.55 | 30.18  | 4.42 | 0.17 | 0.29  | 0.82  | 7.11 |
| 5   | 0.00   | 0.01  | 0.15 | 2.08  | 7.56  | 36.01 | 2.20 | 0.03   | 0.03 | 0.21 | 0.92  | 0.71  | 2.50 |
| 6   | 0.03   | 0.08  | 0.03 | 0.26  | 0.92  | 3.68  | 0.92 | 8.44   | 2.41 | 0.25 | 0.18  | 0.47  | 0.55 |
| 7   | 0.26   | 0.45  | 0.07 | 0.17  | 0.87  | 1.26  | 0.92 | 8.44   | 2.41 | 0.25 | 0.18  | 0.47  | 0.55 |
| 8   | 0.07   | 0.17  | 0.07 | 0.07  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| 9   | 0.53   | 1.01  | 0.00 | 0.00  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| 10  | 0.00   | 0.00  | 0.00 | 0.00  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| 11  | 0.00   | 0.00  | 0.00 | 0.00  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| 12  | 16.96  | 2.98  | 0.00 | 0.00  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
| ATL | 167.39 | 19.97 | 0.00 | 0.00  | 0.28  | 1.48  | 3.68 | 54.85  | 7.75 | 0.08 | 0.07  | 0.14  | 1.31 |
|     | 0      | 1-4   | 5-24 | 25-44 | 45-64 | 65+   | ATL  | 0      | 1-4  | 5-24 | 25-44 | 45-64 | 65+  |
|     | MALE   |       |      |       |       |       |      | FEMALE |      |      |       |       |      |

COLOURED

1960

-- 22 --

|     | 1      | 2     | 3    | 4     | 5     | 6       | 7        | 8      | 9    | 10   | 11    | 12    | ATL   |
|-----|--------|-------|------|-------|-------|---------|----------|--------|------|------|-------|-------|-------|
| 1   | 2.78   | 2.72  | 1.56 | 4.85  | 6.92  | 3.26    | 2.17     | 2.72   | 2.72 | 3.79 | 2.73  | 2.32  | 2.73  |
| 2   | 14.81  | 4.44  | 0.49 | 0.74  | 1.51  | 1.50    | 1.75     | 11.81  | 4.70 | 0.55 | 0.44  | 0.87  | 0.94  |
| 3   | 47.16  | 8.39  | 0.12 | 0.06  | 0.25  | 1.14    | 3.02     | 43.66  | 9.22 | 0.16 | 0.08  | 0.21  | 0.94  |
| 4   | 36.76  | 7.89  | 0.42 | 0.92  | 2.55  | 12.22   | 3.53     | 35.72  | 8.17 | 0.46 | 0.62  | 1.83  | 8.11  |
| 5   | 0.29   | 0.06  | 0.31 | 1.34  | 8.53  | 36.93   | 2.68     | 0.24   | 0.06 | 0.38 | 1.36  | 7.98  | 35.85 |
| 6   | 0.05   | 0.11  | 0.04 | 0.30  | 3.06  | 8.54    | 0.73     | 0.09   | 0.12 | 0.05 | 0.61  | 2.61  | 6.43  |
| 7   | 0.29   | 0.66  | 0.10 | 0.31  | 1.02  | 2.74    | 0.42     | 0.28   | 0.59 | 0.12 | 0.28  | 0.71  | 2.03  |
| 8   | 0.10   | 0.14  | 0.19 | 0.44  | 0.44  | 0.36    | 0.27     | 0.00   | 0.10 | 0.06 | 0.08  | 0.12  | 0.15  |
| 9   | 1.01   | 0.52  | 0.49 | 1.01  | 0.87  | 1.24    | 0.70     | 1.28   | 0.54 | 0.22 | 0.30  | 0.28  | 0.98  |
| 10  | 0.00   | 0.00  | 0.00 | 0.00  | 0.00  | 0.00    | 0.00     | 0.00   | 0.00 | 0.17 | 0.65  | 0.07  | 0.00  |
| 11  | 51.66  | 0.00  | 0.00 | 0.00  | 0.00  | 0.00    | 1.95     | 40.49  | 0.00 | 0.00 | 0.00  | 0.00  | 0.00  |
| 12  | 13.22  | 2.85  | 0.50 | 1.01  | 2.56  | 16.05   | 2.18     | 11.06  | 2.78 | 0.53 | 0.83  | 1.67  | 11.87 |
| ATL | 168.21 | 27.78 | 4.21 | 11.00 | 27.72 | 86.7620 | 48146.81 | 29.00  | 4.98 | 9.04 | 19.07 | 69.62 | 18.28 |
|     | 0      | 1-4   | 5-24 | 25-44 | 45-64 | 65+     | ATL      | 0      | 1-4  | 5-24 | 25-64 | 65+   | ATL   |
|     | MALE   |       |      |       |       |         |          | FEMALE |      |      |       |       |       |

COLOURED

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GERALD REILLY REPORTS ON THE GOVERNMENT'S R189-MILLION SALARY HAND-OUT TO WHITE TEACHERS AND ACADEMICS — AND JAYNE LA MONT REPORTS ON ONE OF THE MEN BEHIND THE BATTLE FOR THE INCREASES

THE new posts and salary structures for white teachers and academics, created on a basis of the Venter Committee report, amounted to a dramatic restructuring of education, the Minister of National Education, Dr Gerrit Viljoen, said in Pretoria yesterday.

The Minister stressed that the scales approved by the Government were improvements in almost every case on those proposed by the committee.

The Government would vote R189,4-million to bring the salaries of white teachers and lecturers at training colleges, technikons and universities to the "proper" level.

The new maximum for male teachers in Category D was 7% higher than the maximum proposed by the committee, he said. And the new maximum for senior lecturers at training colleges, technikons and universities was also 7% higher.

The adjustments from April 1 meant an average increase of 20% for the rank "teacher" in Categories C to G, with six years' experience or less. Those who had been on the maximum for not less than a year would get an average increase of 27%.

On average, the teaching staff at schools up to principals would receive an increase of 26%, in line with the recommendations of the Venter Committee.

Dr Viljoen said the fact that schools were not attracting sufficient staff with the required qualifications was apparent from the average percentage of teachers at primary and secondary schools who had less than the minimum required tertiary training.

He gave the percentages

# Viljoen spells out the new deal

By GERALD REILLY, Pretoria Bureau

as: junior primary schools, men 41%, women 49%; senior primary, men 45%, women 51%; junior secondary, men 51%, women 51%, and senior secondary, men 53% and women 47%.

This, the Minister said, showed that practically all subjects could be regarded as "scarce" subjects.

The disparity between the median salary of graduate teachers with those of comparable posts in the public sector were: human sciences, R1 200 to R6 000 a year; natural sciences, R1 900 to R12 500, and commerce, R1 000 to R6 800.

With university lecturers the disparity compared with the public sector was particularly serious in the basic and applied natural sciences, he said.

Compared with the average salaries in the public and

business sectors, the disparity ranged between about R3 000 and R6 000 a year.

Dr Viljoen said the new salary structure would give teachers a salary-age profile comparable with posts in the public sector, and academics at universities a salary comparable with the average salary in the public and business sectors combined.

The existing 10 post levels up to chief inspector of education would be replaced by six revised levels.

Although the Venter Commission favoured the maintenance of differentiated salaries for men and women in education, the Government had rejected this and had decided to go ahead with the policy of moving towards parity, Dr Viljoen said.

Equal salaries were, therefore, being introduced from the revised post level four and upwards from April 1.

This meant that men and women in post of principal P2 and principal S2 would receive equal salaries.

The Minister said that in universities there was already parity of salaries between men and women lecturers. At technikons only the posts of lecturer would still have separate scales for men and women.

Salary differentiation on the basis of categories had been modified by the Government from the revised Post Level 3 common scale maximums which were introduced from Category D. The scale minimum remained differentiated.

This meant, for instance, that a principal PII (primary) in Category D and a principal PII in Category G could both advance to same maximum of R22 650.

The Government found that in spite of the Venter Committee proposals there was not sufficient data available to formulate proposals on any salary differentiation based on training in certain "scarce" subjects.

The Minister said those who did not meet the minimum professional requirement — three years of recognised tertiary training — could not claim salary improvements negotiated on a basis of professional status.

Features of the new salary structure were:

- The scale minimum for the rank of "teacher" had in real terms been raised by one salary notch in Category C;

- The scale for "teacher" had been extended from a seven point to a nine point scale, the first eight to come into operation on April 1 and the ninth automatically on April 1, 1982.

## THE NEW SALARY SCALES

THESE tables give an indication of the increases for white teachers:

In the two major teacher categories, Post Level One, Categories C and D — involving 35 000 of the country's 55 000 white teachers — the increases range between 20,6% and 28,6%.

Post Level One involves the average classroom teacher. Category C teachers on this level have three years of post-matric training and Category D teachers have four.

In Category C most of the 16 000 teachers are in primary schools. At the bottom level the salary has increased from R5 550 R6 810 a year, an increase of 22,87%.

### POST LEVEL 1

#### Category C:

| Men      |         |        |
|----------|---------|--------|
| Previous | Revised | % gain |
| 5550     | 6810    | 22,70  |
| 6030     | 7350    | 21,89  |
| 6510     | 7890    | 21,20  |
| 6990     | 8430    | 20,60  |
| 7470     | 8970    | 20,08  |

|      |       |       |
|------|-------|-------|
| 7950 | 9645  | 21,32 |
| 8550 | 10320 | 20,70 |
| 8550 | 10995 | 28,60 |
| 8550 | 11670 | —     |

| Women    |         |        |
|----------|---------|--------|
| Previous | Revised | % gain |
| 4950     | 5730    | 24,83  |
| 5070     | 6270    | 23,67  |
| 5550     | 6810    | 22,70  |
| 6030     | 7350    | 21,89  |
| 6510     | 7890    | 21,20  |
| 6990     | 8430    | 20,60  |
| 7470     | 8970    | 20,08  |
| 7470     | 9645    | 29,10  |
| —        | 10320   | —      |

At the top of the seven-stage scale the salary has increased from R8 550 to R10 995, an increase of 28,6%.

The average increase for Category C is 22,24%.

The starting level for Category D's 19 200 teachers has moved from R6 510 to R7 890, an improvement of 21,2%. Top of the scale after going through seven stages, the improvement is from R9 750 to R12 345, an increase of 26,6%.

### POST LEVEL 1

#### Category D:

| Men      |         |        |
|----------|---------|--------|
| Previous | Revised | % gain |
| 6510     | 7890    | 21,20  |
| 6990     | 8430    | 20,60  |
| 7470     | 8970    | 20,08  |
| 7950     | 9645    | 21,32  |
| 8550     | 10320   | 20,70  |
| 9150     | 10995   | 20,16  |
| 9750     | 11670   | 19,69  |
| 9750     | 12345   | 26,60  |
| —        | 13020   | —      |

| Women    |         |        |
|----------|---------|--------|
| Previous | Revised | % gain |
| 5550     | 6810    | 22,70  |
| 6030     | 7350    | 21,89  |
| 6510     | 7890    | 21,20  |
| 6990     | 8430    | 20,60  |
| 7470     | 8970    | 20,08  |
| 7950     | 9645    | 21,32  |
| 8550     | 10320   | 20,70  |
| 8550     | 10995   | 28,60  |
| —        | 11670   | —      |

The average increase for Category D is 21,39%.

The biggest increases are given at the top of the profession, the heads of large primary and high schools.

For instance, in Post Level 5 PI Category D — the principal of a primary school with over 600 pupils who has four years post-matric training — the starting level has gone up from R12 750 to R17 610, an increase of R38,1%. The top of the scale is R24 450.

### POST LEVEL 5

#### Male and Female

| Category D: |         |        |
|-------------|---------|--------|
| Previous    | Revised | % gain |
| 14100       | 17610   | 24,90  |
| 14850       | 18420   | 24,00  |
| 15600       | 19230   | 22,88  |
| 16350       | 20040   | 22,57  |
| —           | 20850   | —      |
| —           | 21750   | —      |
| —           | 22650   | —      |
| —           | 23550   | —      |
| —           | 24450   | —      |

Post Level 5 SI (principal of a high school) starts with an improvement from R14 100 to R17 610, and progresses to the same maximum of R24 450.

## THE VENTER COMMITTEE'S REPORT

By GERALD REILLY

THE Venter Committee report into the status and earnings of white teachers found that the shortage of well-qualified educators was primarily due to non-competitive salaries.

The report's recommendation were the basis of the restructuring of teachers' salaries.

It gave little hope that the staff problems would be solved in the foreseeable future.

The committee found that the three main problems were remuneration, freedom of decision and organisational climate.

It said it was essential for the authorities to do all in their power to attract good material to education.

This underlined the need to offer attractive conditions of service, competitive salaries, professional security and security of tenure, job satisfaction and opportunities for advancement.

The report said remuneration was one of the most important factors in determining whether sufficient numbers of well-qualified people would be attracted to education.

Talks of strikes and similar protest action had damaged the dignity, prestige and attractiveness of the profession, the report found.

Stressing the vital importance of adequate rewards for university professors, it said that although salaries in the private sector could not be a deciding factor in determining salary structures in universities, the gap between salaries in the two sectors should not be allowed to become too wide.

The committee also found that the quality of teaching in primary and secondary education was unsatisfactory.

It was obvious from the investigation, the report found, that teachers felt they were underpaid and did not see their promotion possibilities as good.

The report said that for the foreseeable future it would be extremely difficult to solve the labour problem in education.

Efforts should be made to adjust remuneration of educators so that the profession would get its fair share of efficient labour.



# 'Pay deal only puts teachers up to par'

ADM 18/3/81 322 355

## Pretoria Bureau

THE new salary deal had merely achieved parity for teachers with comparable posts elsewhere in the Government sector, the chairman of the Federal Council of Teachers' Associations, Professor H O Maree, said at a Press conference in Pretoria yesterday.

The improvements, he said, were largely aimed at overtaking a considerable backlog. This had been stressed in the Venter Committee report.

Prof Maree expected the percentage increases in the new scales for the various groups of teachers to be generally well received.

A healthy foundation had

been laid for further positive developments and for teachers' salaries to be reviewed on a continual basis.

It was clear, however, that not all stumbling blocks had been removed. But the Minister of National Education, Dr Gerit Viljoen, had given an assurance that the remaining problems would be given attention.

The federal council was still concerned about the shortage of adequately-trained teachers in the basic sciences.

However, the Minister had also undertaken to investigate this issue further.

Prof Maree said the federal council was unhappy about the present mechanism for consul-

tation and bargaining.

The council would continue to plead for a new deal in which statutory recognition would be given to a bargaining mechanism for the organised profession.

The Progressive Federal Party spokesman on education, Dr Alex Boraine, said yesterday it was a pity it had taken an election to give teachers their "long-overdue" and rightful rewards, reports MARTIN FEINSTEIN.

"The new salary structures for teachers will be welcomed by all who have, for a long time, been concerned about the shabby treatment meted out to

them," he said.

Dr Boraine cautioned that salaries alone were not "at the heart" of the Transvaal's teaching crisis.

"It is the overall disregard by the Government for the teaching profession which has been so demoralising, leading to threats of mass resignations," he said.

The nonracial National Education Union of SA (Neusa) criticised the increases and said they would "maintain the racially and sexually discriminatory wage structure of the profession", although they satisfied the interests of certain white and some black teachers.

A spokesman for the Southern Transvaal branch of Neusa said: "The increases affect mainly those in categories C and higher, namely those teachers with four years training."

"Teachers who benefit least are those with fewer qualifications. These teachers are concentrated mainly in black primary schools.

"They will only receive a 12% increase."

(News by M Feinstein, 171 Main Street, Johannesburg)

# Teachers: hike

## not full answer

DD

18/3/81

(322)

(355)

PRETORIA — South Africa's 55 000 white teachers will get substantial salary increases from April 1 — but the rises are not the whole answer to the teaching crisis.

This is clear from the Venter Committee's report on teachers' status and earnings, released here yesterday.

The report gives little hope of any short-term solution to the crisis, which has deepened steadily during the past two years.

But the government's implementation of most of the committee's findings represents an advance in the teachers' struggle for pay and working conditions which would stem the flood of resignations and attract teachers back to the profession.

The report emphasises that schools are not even close to obtaining adequate numbers of properly qualified staff. In fact, it reveals that about half the teachers in schools ranging from junior primary to senior secondary have less than the required minimum of tertiary training.

The Minister of National Education, Dr.

Gerrit Viljoen, said this showed that practically all subjects could be regarded as "scarce" subjects.

Although there were other reasons, the Venter Committee found the shortage of well-qualified teachers was primarily due to non-competitive salaries.

Dr Viljoen said the government would vote R189 400 000 to bring the salaries of white teachers to the "proper level."

The average teacher, up to the rank of principal, would receive an increase of 23 per cent.

He emphasised an important development was the reduction of the existing post levels to the six revised levels.

Although the committee had favoured the maintenance of differentiated salaries for men and women teachers, the government had rejected this and would go ahead to achieve parity.

Dr Viljoen said all indications were that the majority of teachers were satisfied with the increases.

It remained to be seen whether the new scales would solve the shortage problem.

The chairman of the Federal Council of Teachers' Associations, Professor H. O. Maree, said the percentage rises would generally be well received.

He warned, however, that the settlement of salary disputes could not be seen as a "one-time process."

Adjustments would have to be made on continuous review.

The president of the Transvaal Teachers' Association, Mr Peter Mundell, said last night the tide had apparently turned but "in no circumstances must this be regarded as the last chapter."

The new scales were the first instalment of a rectifying process. There was still a backlog which had to be eliminated. — DDC.

Reaction, page 13.

*Economics of Health in South Africa* (eds) Wilson and Gill Westcott (eds) Cape Town, 1979. (R4,00)  
*Economics of Health in South Africa* (eds) Wilson and Gill Westcott (eds) Cape Town, 1980. (R4,00)

*Health System* (eds) David Phillip, Cape Town, 1980. (R4,00)

*Farm Labour in South Africa*. Francis Wilson, Alide Kooy and Della Hendrie (eds.). David Phillip, Cape Town, 1977. (R9,00)

### BOOKS

- |    |                          |                                                                                                      |
|----|--------------------------|------------------------------------------------------------------------------------------------------|
| 26 | I.C.G. DouwesDekker      | The Process of Collective Bargaining and its implications for Industrial Relations Policies. (R0,75) |
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2M 18/3/81 355

# R189m for teachers

## But it's caution in Natal over new pay deal

PRETORIA—Gross dissatisfaction over pay was a major problem area which affected all aspects of the teaching profession, the Project Committee of investigation into the status of the teacher found in its first report, writes Sapa.

The Government had accepted almost in its entirety the committee's proposals for bringing into line remuneration in the teaching profession with that of the private sector and the public sector.

The new salary deal for teachers coming into operation on April 1 will cost R189.4 million over the next 12 months. The money, to be voted later in Parliament, will be spent on pay increases, service bonuses and enlarged pension contributions.

Announcing this yesterday, the Minister

of National Education, Dr Gerrit Viljoen, said the new posts and salary structures created at the recommendation of the Project Committee amounted to 'a drastic restructuring of education'.

Highlights of the new dispensation for teachers are:

An average increase of 26 percent for teachers;

An average increase of 16 percent for lecturers at technikons and universities;

Restructuring of posts. The 10 post levels up to chief inspector of education have been reduced to six revised levels;

A narrowing in the salary gap between men and women teachers. Equal salaries would be paid to men and women from the revised Post Level 4 and upwards from April 1. At universities there was already a parity of salaries while at

technikons only the post of lecturer will have separate scales for men and women;

Equalised scale maximums will be introduced from Category D in the qualification categories. This will mean, for instance, that a principal P 11 in Category D and a principal P 11 in Category G can both receive the same maximum salary of R22 650 a year;

Revised key salary scales and structures which offer extended scales. This means the scale minimums for the rank of 'Teacher' have been raised one salary notch in real terms. The scale of 'Teacher' is extended from a seven-point to a nine-point scale. The first eight points come into operation on April 1 and the ninth a year later; and

The April 1 adjustments mean an aver-

age increase of 20 percent for teachers in Categories C to G with six years' or less experience. Those who have been at the top of their scales for not less than a year will receive a raise of 27 percent on average.

The Project Committee found there were several deficiencies in the present education set-up which had led to a shortage of suitably qualified teachers. A sizeable percentage of teachers at primary and secondary schools had less than the required minimum tertiary training in the subjects they taught.

Dissatisfaction with pay, when compared with similar jobs elsewhere, was one of the main reasons the profession had failed to attract sufficient teachers.

Dr Viljoen said yesterday that the Hu-

man Sciences Research Council was conducting a comprehensive investigation into the education of all population groups.

But a Mercury reporter writes that the president of the Natal Teachers' Society, Dr Bruce Dobie, has taken a cautious approach to the new salary deal. Although it appeared that the new scales would be acceptable to most teachers, there was still some doubt whether the services of teachers with six to seven years' experience would be retained.

'It's at this level of experience that teachers consider moving over to the private sector.'

Dr Dobie said this would become clear only once the report of the Venter Commission was published. The Venter Commission is examining the responsibilities

and tasks of the teaching profession and comparing them with the private sector.

Dr Dobie said it was not possible to comment on the restructuring of the existing 10 posts — levels up to chief inspector of education — which had now been reduced to six. It would take some time to study the implications.

There did, however, appear to be an improvement in starting salaries. This, he said, would help attract people to the profession.

Dr Dobie welcomed the new equalised salary scale maximums for principals who had 'at last been justifiably rewarded for their responsible positions'.

Further comment could only be expected tonight after he had met members of the Natal Teachers' Society.

Headmasters and teachers were not in a position to comment last night because they had not yet seen the new salary scales.

The Teachers' Association of South Africa, representing more than 6 000 Indian teachers, was busy studying the scales and a statement would be issued in due course. Mr P C 'Pat' Samuels, its president, said last night.

Indian principals had not yet received copies of the new scales, he said, adding that April 1 was expected to be an important date because, for the first time, there would be parity in pay with white teachers in some categories.

The survey average of four workers on mountains near Beas in cash. Bonus: The table below according to annual Distribution of workers Bonus, R per year

| Range:        | Mean:         | total         |
|---------------|---------------|---------------|
| 0 - 5,00      | 5,01 - 10,00  | 10,01 - 15,00 |
| 5,01 - 10,00  | 15,01 - 20,00 | 20,01 - 25,00 |
| 10,01 - 15,00 | 25,01 - 30,00 | 30,01 - 35,00 |
| 15,01 - 20,00 | 35,01 - 40,00 | > 40          |

The 22 workers



# 12pc salary rise report disappoints policemen

355

JOHANNESBURG — A reported 12 per cent salary rise for policemen was greeted with disappointment by numerous policemen yesterday.

Several senior officers said the increase would do nothing to stem the flow of men leaving the force.

"Our salaries are way behind the increase in the cost of living and that's the way they will stay — if the reported increase is anything to go by," one policeman said.

A policeman's wife said she feared that soon there would be so many men out of the force that future good increases would not matter any more.

Another constable said the reported rise would mean slightly more than R20 a month for him.

However, the Deputy Commissioner of Police, General F. Engels said yesterday that police headquarters had not yet received the new salary scales.

He said detailed lists of the scales would be telexed to police divisions throughout the country as soon as the scales were received by headquarters.

Mr Ray Swartz, Progressive Federal Party MP and spokesman on police matters, has called for a commission of inquiry into the police force's affairs saying that more than 400 policemen had left the force in the first two months of the year. — DDC.

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And if there is no pressure on farmers to raise the level of education of

to be filled.  
be enough children who have never been to school for his labour requirements  
even if the children who have been to school leave the farm, there will  
it is either because of goodwill or because the farmer is satisfied that  
the next. Where farmers do help to keep school attendance figures high,  
of schooling of the present generation of farm workers is alleviated in  
for farm work, so that there is no pressure on them to ensure that the lack  
farmers were indifferent to, or distrustful of, schooling as a qualification  
their children to school. However, it has been noted above that almost all  
suggests that most farmers co-operate with, or encourage, workers to send  
all children between 6 and 18. This high school attendance figure also  
were working; this represents 56% of children not at school and 14% of  
on the farms, 181 (74%) were at school. (Of those not at school, 35  
lected in the fact that of the 244 children between the ages of 6 and 18  
The importance of schooling for children in the minds of workers is ref-  
not to answer or had never thought about it.  
One worker wanted his son to become a dorrance and the other 8 preferred  
to work 'in offices' and only 5 wanted their children to work on farms.  
about carpenters and builders earning good wages, 2 wanted their daughters  
workers with children said they should become teachers or nurses, 3 talked  
work. Asked what they would like their children to do, 15 out of 34  
important, because with schooling it would be easier for the children to find  
why, all the workers with children who were interviewed replied that it was  
whether it was important that the children should go to school, and if so,  
be seen from their answers to questions concerning their children. Asked  
schooling or training at all. Workers themselves are aware of this, as can



# Police pay goes up by about 15%

RDM 20/3/81

By JOUBERT MALHERBE  
Pretoria Bureau

BLACK and white police will benefit equally from the new salary scales to be disclosed to police throughout the country today.

The average hike will be 15,31%, a source said yesterday, adding that lower ranks would be the ones to benefit the most.

The salary ceilings of all ranks were removed, which means that the salaries would no longer be determined by rank only, the source said.

According to the source, there were moves under way to reach parity between black and white policemen. This conformed with an announcement in Parliament three years ago regarding the wage gap between black and white policemen.

However, the source added that complete parity had not yet been reached.

The latest round of increases meant that in certain cases blacks would get a bigger increment than whites.

Now that rank alone will no longer determine a policeman's salary it means that a sergeant with 20 years' service and a captain with 10 years' service could earn the same salary.

There could also be instances

where a black sergeant, who had been in the police force longer than a white, would earn a higher salary.

The source added that the new dispensation would lead to the creation of a stable class of non-commissioned officers in the force.

"A warrant officer, who is stationed in a remote town and who has built a house there, will not necessarily want to move to the city to do an officer's course.

"In the past his income would have been pegged to the top ceiling for warrant officers. Now that the ceiling has been lifted he will be paid according to his service period as a warrant officer."

Police announced earlier this week that details of the new salary scales would not be made public as they regarded salaries as a domestic matter.

The salary increases are: police with six years' service — about 30%; between six and 12 years' service — about 16%; police up to the rank of warrant officer with more than 12 years' service — about 14%; police up to the rank of colonel with more than 12 years' service — about 13%.

The average salary increase for senior officers was about 11%.

# Nurses' pay rise

KDM  
20/3/81

By GERALD REILLY  
Pretoria Bureau

930355

INCREASED earnings for nurses over the past three years would amount to about 50% when the latest rises were taken into account, the Minister of Health, Dr L. A. P. A. Munnik, said from Cape Town yesterday.

The increases — still being worked on — would amount to about 12% plus an advance to the next notch, Dr Munnik said.

But Dr Munnik said he did not think this alone would lead to a dramatic improvement in the nursing shortage. He said other factors had to be taken into account including actual working conditions and the standard of accommodation provided.

The Minister said he had asked the Health Advisory Committee to investigate and identify the causes of the nursing shortage.



**Police  
get an  
'average  
15 percent  
increase'**

355

20/3/81

**Crime Reporter**

ALTHOUGH Police Headquarters in Pretoria has stated that it is not going to make public the details of the new police salary increases, which come into effect on April 1, informed sources have predicted that the average increase will be about 15 percent.

Lower ranks will benefit most, with boosts to their pay packets of up to 34 percent.

The new starting salary for matriculated white recruits will be R3 798 plus a year, reaching a ceiling of R8 370. For Indians the new starting salaries will be R3 366 a year and for Africans R2 502.

Officers above the rank of colonel can expect an increase of about 10 percent.

**Earning**

Length of service will play a bigger factor in determining increased salaries in the non-commissioned ranks. A constable, sergeant or warrant officer who does not, for instance, wish to write promotion examinations would still receive increases between 34 percent and 14 percent.

It is feasible that a warrant officer who wished to remain at that rank could — with length of service — eventually be earning the same as a captain. In the same way, a black sergeant with 10 years' service would be earning more than his white counterpart with, say, only three years' service.

It is understood that R8 000 000 has been budgeted for overtime pay.

PRETORIA — Lower ranks in the police force hit most by resignations in past years — have been given the highest pay increases.

The increases which were announced yesterday promise constables ultimate gains of as much as 30.4 per cent, sergeants as much as 22.7 per cent, warrant officers as much as 38.9 per cent and lieutenants as much as 26.6 per cent.

These high increases, however, only affect the top pay scales of the four ranks.

In all other scales, an average increase of 11.8 per cent will apply.

divided into the following areas:

#### Health Conditions at Work:

These are governed by the Factories Act and the Shops and Offices Act. These regulations lay down minimum requirements with regard to floor space and ventilation, lighting, toilet facilities, protective clothing and appliances and so forth. They also form the basic legislation laying down sick leave and sick pay provisions. This is in addition to the unemployment Insurance Act. Exemptions are obtained from these sick leave provisions if other provisions are made in a sick fund, an Industrial Council agreement or a Wage Determination. These provisions are supposed to be an improvement on the Factories Act. Some health provisions which apply specifically to African workers are laid down in the Bantu Labour Regulations Act.

#### Industrial Diseases and Accidents:

This area is governed by the Workmen's Compensation Act. It involves accidents or diseases contracted at the workplace. The Government-appointed commission of Inquiry into occupation health (The Erasmus Commission) whose report was published in the 1976, called for sweeping changes in legislation affecting industrial health. They found that a very serious situation existed in South African industry with regard to officially recognised industrial diseases (see list of these—Appendix A). It found, for example, that there had been a dramatic increase in the number of notified lead poisoning cases since 1972. The Commission claimed that: "exposure in the republic too inordinately high, if the factories in which these investigations were carried out were situated in the United States or Sweden they would have had to close."

## Constables get most

The major benefits of this year's increase appear to be directed at the ranks which have suffered the greatest exodus from the force in the past two years.

The increases mean that a top-scale constable will eventually be able to take home R162,50 more a month and a top-scale warrant officer will eventually take home R301

more a month. It is understood that these gains can be reached because of firstly, a more rapid advancement in each scale by way of three increments a year in-

|                  | Old scale<br>(Bottom to top) | New scale<br>(Bottom to top) | Percentage<br>increase |
|------------------|------------------------------|------------------------------|------------------------|
| Constable:       | R2 415 — R6 420              | R2 718 — R8 370              | 12.5 — 30.4            |
| Sergeant:        | R3 975 — R7 410              | R4 470 — R9 080              | 12.5 — 22.7            |
| Warrant Officer: | R5 070 — R9 300              | R5 670 — R12 915             | 11.8 — 38.9            |
| Lieutenant:      | R6 750 — R10 200             | R7 650 — R12 915             | 13.3 — 26.6            |
| Captain:         | R8 070 — R11 550             | R9 090 — R12 915             | 12.6 — 12.2            |
| Major:           | R9 750 — R12 900             | R10 935 — R14 400            | 11.8 — 11.6            |
| Lt/Colonel:      | R11 550 — R15 540            | R12 915 — R17 340            | 11.8 — 11.6            |
| Colonel:         | R14 880 — R18 940            | R16 605 — R21 015            | 11.6 — 11.5            |

#### Findings of the Commission

Poor work conditions a the workers' general health to occupational disease the worker has left the present condition. No

We can see, therefore, diseases (See Table Appendix A). These include there is a high rate of and factories. There a the disease is often detected, as already mentioned, after the worker has left the industry in which it was contracted. Difficulties arise here. It seems that very often workers have to wait a long period before they finally receive remuneration, if at all. This may stem partly from the bureaucratic manner in which these claims are processed. Numerous other difficulties could be named to show the problems which arise in practice with workmen's compensation. This, however, could be the subject matter of a whole new study on its own.

#### Medical Schemes:

This is the third area of workers' health, which will form the main subject matter of this paper. These three areas are not mutually exclusive but overlap, each affecting the other. Chronic illness as a result of exposure to occupational diseases, for example, can have important bearing on the need for future medical attention covered by medical insurance schemes.

stead of one a year, and secondly, new increased allowances for lower ranking policemen.

It is understood that anything allowances for plainclothes policemen are soon to be increased as well. A higher ranking captain stands to gain less from the new increases and will only take home R114 more a month.

Police yesterday greeted the new salary scales with mixed feelings.

Although, more hope has been held out to constables and sergeants some still expressed the view that salaries had not caught up with the cost of living.

The majority of policemen would not comment on their increases.

Some said if there were crime problems they would come from cities where industry and commerce had lured men away from the force.

One policeman pointed out that police benefits should not be forgotten when discussing salaries. They included a monthly "special allowance," a yearly bonus cheque of 93 per cent of one month's salary prior to deductions, and housing subsidies. DDC.

found that: In three platinum

is brings about inflammation of allergic dermatitis. Twenty

hory which made mercury by. This can cause

badaches, sleeplessness, loss of vision. Gum disease is common. 75% of all workers had

plete perforation of the nasal management said they paid a ing in poor conditions'. "2

workers in South Africa are These are but a few of the national health have bearing on work conditions and exposure by years later, often after responsible for his or her in these cases.

recognised industrial practice many difficulties migrant labour being such that between different industries the claimant very often

ing the disease is often detected, as already mentioned, after the worker has left the industry in which it was contracted. Difficulties arise here. It seems that very often workers have to wait a long period before they finally receive remuneration, if at all. This may stem partly from the bureaucratic manner in which these claims are processed. Numerous other difficulties could be named to show the problems which arise in practice with workmen's compensation. This, however, could be the subject matter of a whole new study on its own.



# It's a raw pay deal, says public service

By GERALD REILLY  
Pretoria Bureau

THE country's white State and provincial department workers are up in arms at what they claim is the raw salary deal they have been handed by the Government.

Because of the bitter reaction from State Department workers the Public Servants Association is to demand an urgent review of the 12% average increase.

The association will see the Minister of State Administration, Dr Andries Treurnicht, on March 30 to demand general adjustments, and special relief for certain key categories of Government workers.

The association wants the adjustments made in the main Budget in September to be retrospective to April.

Senior Government workers said yesterday anger was spreading throughout the service as it became more apparent that state department workers had been handed a raw deal compared with other worker groups in the public sector.

They pointed to the teachers who have been given rises of 28%, policemen 15% and nurses

between 17% and 18%.

The president of the PSA, Dr Colin Cameron, said last night that dissatisfaction was widespread.

The average increase was 12%. The lower ranks in the service would benefit by about 13%. At the higher levels the rises were as low as 9% — way below the inflation rate.

This meant that the standards of living of State department workers were steadily declining.

Dr Cameron said the Reserve Bank had revealed earlier in the week that the average income of South Africans had risen by 20%.

Taking into account the 16% inflation rate, this meant an advance in living standards of 4%.

Conversely based on this assessment public servants' living standards would fall by another 4%.

Dr Cameron said the PSA had sent a telegram and a letter to the Prime Minister stressing the dissatisfaction in the service at the extent of the increases and the need for adjustments.

No reply had so far been received.

# Nurses will get pay increases in April

RDM 24/3/81 953 355

Staff Reporter

SOUTH Africa's nurses will receive pay increases averaging 12%, and as much as 18% in some cases, from the beginning of April, according to a statement yesterday by Dr L A P A Munnik, Minister of Health, Welfare and Pensions.

The salary scales of senior "registered" nurses were given special attention and these had increased by between 17.2% and 18.09%, said Dr Munnik.

He added that an in-depth inquiry into the nursing profession would be established in the future.

"Progress has also been made in the implementation of the Government's policy to narrow the gap between earnings of different races, and the salary scales of senior matrons of all races are now equal," Dr Munnik said.

A nurse who has just completed her general nursing diploma will get an extra R56.25 a month.

Student nurses in training, nursing assistants and pupil nurses will get an average 12.4% increase.

Every effort will be made to pay the increases at the end of

April but, if this was not feasible, it would be done as soon as possible afterwards, the Minister said.

Attention was also being given to certain sections of the nursing profession where salary scales were in need of adjustment.

Although the question of salaries had been foregone in recent times, other aspects of nurses' working conditions were also receiving attention.

Dr Munnik added that the Health Advisory Committee's sub-committee on nursing would shortly deliver its report.



# 'Fight to bitter end' for better nurses' pay

NW 24/3/21

355

## Mercury Reporter

THE South African Nursing Association is dissatisfied with the proposed salary increases for newly qualified nursing sisters.

Prof Charlotte Searle, president of the Nursing Association in Pretoria, told the Mercury last night that although the increases were 'excellent' in some cases, the association would 'fight until the bitter end' to get better increases for the newly qualified sister.

'Publication of the new salary scales was never intended before the official statement later this

week,' said Prof Searle. 'However, I will confirm that in some cases nurses will be receiving between 17 percent and 18 percent increases.'

The Minister of Health, Welfare and Pensions, Dr L. A. P. A. Munnik, announced yesterday that nurses' salaries would be increased by an overall 12 percent from April 1.

The salary scales of senior registered nurses were to be given a special increase of between 17.2 percent and 18.09 percent, Dr Munnik announced.

A nurse who has just completed

her general nursing diploma will get an extra R66.25 a month, and student nurses in training will receive an average 12.4 percent increase.

Prof H. Grant-Whyte, a Durban emeritus professor of anaesthetics, said yesterday he thought the increase was 'ridiculous' in that it would never cope with the rate of inflation.

'I am really concerned that the Government does not realise the importance of even larger increases to keep the medical team together,' Prof Grant-Whyte said.

'All we hear about is the general increases. What about improved pensions and medical aid schemes?' Five nurses interviewed at Durban's Addington Hospital yesterday said they were 'very bitter' about the small increases.

'We are planning on taking drastic action soon,' the nurses said. 'The time has come when we're no longer going to take this sort of treatment.'

Prof Searle said that increases for black, coloured and Indian nurses were 'very good', and that the salary gap between the races had been considerably narrowed.

## 'Hospital to blame' for nurses axed from register

By Deven Moodley  
ELEVEN nurses from Chatsworth's R. K. Khan Hospital have been removed from the register by the South African Nursing Council for non-payment of subscription fees, Dr L. Delaney, the hospital's medical superintendent, said yesterday.

He said the nurses who had been removed from the register would have to re-register with the council.

'The hospital is to blame for the non-payment of the fees following an administrative error,' Dr Delaney said.

A spokesman for the Nursing Council said yesterday that she could not

## Khan Hospital nurses had been suspended.

'A full investigation is being carried out and until the matter is resolved those nurses who have been struck off the register cannot perform any nursing duty,' she said.

Dr Delaney also promised a full investigation. He said it was the first time so many nurses from the R. K. Khan Hospital had been struck off the register at one go.

He said although there was an acute shortage of nurses in Natal some of the 11 who were struck off were given early annual leave while others were carrying out non-nursing duties at the hospital.

A spokesman for the Indian branch of the Nurses' Association in Durban said yesterday that he would be going to Pretoria next week to discuss the suspensions with officials of the Nursing Council.

| Bonus, R per year | Number |
|-------------------|--------|
| 0 - 5,00          | 2      |
| 5,01 - 10,00      | 11     |
| 10,01 - 15,00     | 23     |
| 15,01 - 20,00     | 14     |
| 20,01 - 25,00     | 12     |
|                   | 22     |
|                   | 7      |
|                   | 13     |
|                   | 6      |
|                   | 130    |
|                   | 9      |

The 22 workers in the 10 no bonus at all.

Included in the table are 24 workers, on four farms, whose

For a difference of this size.

## Association

Apart from retired workers (prices), milk and some farm and clothing or disability to partly pay

**'not happy' with nurses' pay rises**

Mercury Correspondent  
CAPE TOWN—Scheduled pay rises for senior nursing sisters, averaging about 18 percent, are less than expected by the South African Nursing Association, a spokesman said yesterday.

Miss Ralie du Plessis, executive director of Sana, said the association was 'not happy' with the increases announced for this group and would make representations to the minister to review the position. She would not comment on pay rates applicable to other nursing levels, but confirmed that the association was 'worried' that the new scales for senior sisters might not be sufficient to stem the skills drain from this sector.

Dr L A P A Munnik, Minister of Health, Welfare and Pensions, said in a statement this week that nurses would receive pay increases ranging from 12,4 percent for student nurses in training to 19 percent for junior staff nurses.

The higher ranks of nursing such as matrons, chiefs and principals would get 16,5 percent more while the middle ranks which include senior matrons, matrons and senior sisters would receive between 17,5 to 18 percent.

Increases would be paid from the end of April.

generally provided free or at subsidised prices for vegetables when available, and workers grazing rights would bank workers' old age and take some of the money, y provided.

### 4. Cash and/or kind

The question of cash and workers, of than in cash, is simple: workers spending, to receive buy, from the farmer should be able to prefer, to buy meat to do without cover on the farmer's land a sort of paternal

d benefits, to both farmers part of payment in goods rather than at first glance it seems d to organise their own come in cash and then to as they choose. They on bigger houses if they clothing if they choose, and pay to graze 30 goats use, it seems, is either thinking he can arrange

the worker's life better than the worker himself - or an attempt by farmers to keep wage costs down by off-loading on to workers items whose opportunity cost to the farmer is lower than their money value to the worker, measured in terms of retail prices. (Some farmers said they made sure workers had enough meat to eat because otherwise sheep would disappear without trace from the camps at night).

The conclusion of this argument is that if a man chooses



NM 2613181

The extent to which the purchasing power of the rand has been eroded during the past five or six years is reflected in the Consumer Price Index which had a base of 100 in 1975. It was 153.8 in February

This meant that the price of a wide range of commodities and services on which the interest was based had nearly doubled in six years.

the figures in the  
are higher, have  
distributed by age

The amount spent on the Dried Fruit Board rose by 18.3 percent, while the Dried Bean Board's costs rose by 12.1 percent. The money spent on Wheat, Meat, Egg, Fruit, and other boards also rose considerably.

The Meat Board's budget had increased by 51 percent to more than \$3 million, making it one of the top-spending control boards in the country, while many ordinary people could no longer afford to eat meat, he said.

And the Dairy Board's expenditure had doubled following its merger with the Milk Board in a 'rationalisation' effort.

(Report by H Zille, 17½ Main Street, Johannesburg and G. Steilly, Van Der Stel Building, Pretoria)

Leading economists believe Mr. Owen Horwood, the Minister of Finance, would use today's conference to urge leaders of commerce and industry to keep a tighter rein on prices and to moderate salary increases.

But Mr. van Renswoude said the Government should take a large measure of responsibility for the soaring inflation rate, with the rising cost of running food control boards playing a major role in the 10 percent food price increase over the past month.

The millions spent by control boards were a major contributory factor in this inflation spiral, as these costs were carried by the public, Mr van Rensburg said.

using figures compiled by the Opposition spokes man on agriculture Mr Philip Myburgh. Mr van Rensburg disclosed that during 1979/1980 control boards cost the country more than R28 million, compared with more than

This means that the total of Africa for areas 11 and 13 will be 100.

**PALESTINE**—Pay boosts of more than R1 000 million in the public sector, and hundreds of millions more in the private sector, are expected to send prices rocketing again, according to leading economists here.

Major inflationary pressures would also come from the 15 percent hike in railway rates at the end of the month.

Within the next three or four months prices of maize and maize products, dairy products, including fresh milk, and bread will rise.

also expected is a half-cent rise in the petrol price on the pump to 55 c a litre, with the probability of a further rise in July after the mid-year meeting of Opec countries.

The higher railway rates will also force up the prices of coal, cement and sugar.

The Minister of Health, Dr. L. A. P. A. Munnik, reiterated back to the medical council its tariff commitment and recommendation that doctors' fees should be raised by 10 percent.

This was on top of the last increase of more than 100 percent. The medical council meets on April 13 to look at the committee's amended recommendation and this will be sent back to the minister.

men and 30 673 women (Coloured plus African) economically active' but who fell into the category of 'unemployed' and therefore cannot automatically be considered scholars, students or retired people.

\* Fifteen is probably especially coloureds, may be at secondary school given in the Census starts at 20, while



19. For a general discussion, see Charles Simkins, Unemployment, Employment, 1961 - 1979, SALDRU Working Paper No. 4.

# Public servants dissatisfied with pay rise

NM 31/3/81

355

PRETORIA—The executive of the Public Servants' Association yesterday expressed dissatisfaction with the recently announced pay increases, as well as aspects of conditions of employment, the Minister of State Administration, Dr Andries Treurnicht, said in a statement in Pretoria yesterday.

The statement was issued after a meeting between Dr Treurnicht and a delegation of the PSA led by the PSA president, Dr Colin Cameron.

Dr Treurnicht said the Commission for Administration would study the general staff situation in the public service and submit recommendations to him.

The commission would pay particular attention to housing problems of public servants.

The executive of the association has brought to my attention as well as to the attention of the Commission for State Administration the serious dissatisfaction among public servants with increases and certain conditions of

service,' Dr Treurnicht said.

'The Commission for Administration has, at my request, undertaken to give continued consideration in the light of problems discussed, to the remuneration of specific vocational groups. The commission would also conduct studies and submit recommendations to me in the light of the general staff situation,' he added.

'The commission is aware of the specific housing problems of public servants and is currently re-

evaluating officials' housing needs,' Dr Treurnicht said.

Earlier reports quoted a senior public servant as saying the 12 percent average increase was 4 percent short of compensating for the inflation rate of 16 percent.

It was pointed out that the estimated 18 percent to 20 percent inflation rate for the year meant further erosion of the living standards of Government workers. — (Sapa)

dry into Matters affecting the Coloured (report) R.P. 38/1976, pp. 141-2.



# Civil servants talk of strike

CAPE TOWN — Threats of strikes, an election stay-away, and the formation of trade unions were made by members of the Western Cape branch of the Association of Civil Servants here yesterday.

About 150 civil servants held a protest meeting over the "ridiculous" salary increase of 12 per cent which came into effect on April 1.

The association has 42 000 members throughout the country.

Some of the officials who attended the meeting said they had done so in spite of intimidation.

The chairman of the subregional committee, Mr H. P. Loots, warned the protesters that if talk of strikes continued, the meeting would be adjourned immediately.

"An extraordinary meeting of the association

the first in more than 60 years — will take place in Pretoria on April 9 and if there is no action at this meeting, then we can begin with our own action."

The days of the association sitting back and waiting until the following year for the government to do something for our welfare are over. Promises made in the highest levels of government were not held.

The 150 protesters handed in signed letters of resignation to their committee. In the event of the association coming up with nothing "constructive" over the salary question, these resignations would come into effect.

Mr Loots was unanimously chosen to represent the committee at the Pretoria meeting.



struggle for freedom would be difficult and would involve sacrifices. I was and I am willing to make those sacrifices. I am married and have one child, and would like nothing more than to have more children, and to live with my wife and children with all the people in this country. One day that may be possible, if not for me, then at least for my brothers.

I appreciate the seriousness of my actions and accept

## More pay for council workers

Pietermaritzburg Bureau  
SALARIES of all Pietermaritzburg's municipal employees are to rise by an average 12 percent next month.

The rise, which will cost the council about R2 200 000, was announced at a city council meeting yesterday and is expected to take effect on May 1.

The council had taken cognisance that the lower grades of employees should have higher increases, and some employees would receive increases ranging from 16 to 21 percent, said Mrs. P. Rainier, chairman of the Staff Committee.

Ph: (10)

necessary and inevitable that those decisions had to be taken.

From: Johnson, R W

1977

How Long Will South Africa Survive?  
Johannesburg: Macmillan South Africa.  
Pages 287 - 327.

## Conclusion: How Long Will South Africa Survive?

The White Establishment of South Africa which had so successfully weathered the crisis of Sharpeville in the early 1960s was, by the mid-1970s, gripped in a crisis of infinitely greater proportions. It seemed much less likely, moreover, that the crisis would this time be followed by a decade of prosperity and repressive calm. The year 1976 had, like 1960, posed in an acute form the great question which lies at the bottom of all debate over South Africa: how long can the whole structure of white power survive?

The question has, of course, a considerable history of discussion amongst South African whites, who take a fairly lively interest in their own fate. The government's answer is quite straightforward. The whites will survive as long as they retain the will to do so, a will they can best express by shunning all varieties of liberalism, communism and other heathen creeds, and supporting the government's separate development policies. For, if these policies are taken seriously and can be made to work, the argument goes, the question of white survival is hardly posed. Vorster was taking this view, for example, when he told the Israeli newspaper, *Ma'ariv*, in November 1976 that there was no black majority in South Africa. There was, instead, a white majority, alongside whom were found a mass of black workers who had voluntarily abandoned the homelands where they enjoyed political rights in order to gain the higher wages to be found in the 'white country'. This argument can, of course, be made juridically and even philosophically watertight, but it makes no reference to the question of the consent of the black majority to such arrangements. If pressed on this question there can be only one answer: the arrangement is, in the last analysis, guaranteed by force, not consent. (As Vorster told his Israeli interviewer, 'The Arabs don't consent to Israeli rule either.') The regime would be happiest, of course, if Africans did consent, but if not, well... It is known that Vorster and many other Afrikaners view the Bantustans very much in the perspective of the endless land-hagglng between races which occupied much of South Africa's pre-twentieth century history.



then, and by the time I went to Orlando West High School I was already beginning to question the injustice of the society in which we lived, and to ask why nothing was being done to change it. In this too, I was not unusual. Throughout the universities and high schools of South Africa, the South African Students' Organisation (SASO) and its subsequent high school equivalent, the South African Students' Movement (SASM), were very active in conducting meetings to preach the philosophy of Black consciousness. The preaching fell on fertile ground; very many of us felt the need for Blacks to have a sense of pride in themselves, to abandon feelings of inferiority, and to stand together. This really what SASO and SASM stood for, and I became an active participant in preaching this philosophy and selling the publications which promoted it.

Like other members, I attended discussions, participated

When asked if he could specify what the increase would be, Dr van der Hoven replied: 'I have no wish to reveal that to any newspaper after all the adverse publicity that the nursing profession has received.'

A spokesman for the Natal Education Department in Pietermaritzburg confirmed yesterday that teachers would 'hopefully' be receiving their increases of between 20 and 26 percent at the end of April.

'We are making every effort to work out the increases in time for teachers to receive their new pay slips this month,' the spokesman said. 'We are confident that we will meet the deadline.'

Spokesmen for the South African Railways and Police said in Pretoria that an overall increase of 12 percent had been allocated which would be effective from the end of April.

A Durban Post Office spokesman said all staff had been informed that they would be receiving their 12 percent increase this month.

on Government policy. I realised that it was only political organisations which would hope to play a part in changing the situation. But these had been banned and silenced. Existing organisations were tolerated either because they operated within the restrictive limits of the unacceptable "Bantustan policy", or because they had little popular support. It was clear to me that as an organisation like the Black /...

(30)

Black /...

Black Peoples' Convention grew, so it would be increasingly harassed, until it would be finally closed down by the Government - as indeed happened in the recent Black October situation.

The oldest and largest political organisation was the African National Congress. There were many former members living in the townships and the ANC was a common topic of discussion. I talked to former members, read whatever

# Nurses still in dark over pay hike

**'Does it really matter if it's this month or next?'**

**(Mercury Reporter)**

MANY public servants who have been looking forward to salary increases at the end of this month probably will not be disappointed.

But Natal nurses still do not know if they will receive their increases at the end of April, according to the Director of Hospital Services in Natal, Dr V A van der Hoven.

He said in Pietermaritzburg yesterday that the increases were in the hands of the provincial accountant.

'Does it really matter if their salaries increase this month or next?' said Dr van der Hoven. 'We all know that a salary increase is on the cards.'

efforts with violence and by banning the Organisation. I learnt that this, in turn, led to the end of the ANC's non-violent policy and to the decision in 1961 to turn to the use of force. I sympathised with this decision: I felt that the Black people could not simply sit back and fold their hands - and that one could not meet the Government's machine guns with empty hands. It seemed to me that the ANC had been forced into the situation where it had no alternative /...

(30)

alternative /...

# Employers are putting brakes on wage bills

355

STAR  
22/4/81

Forget the skiing holiday in Switzerland or the new high-powered limousine you set your heart on. You just won't have the cash for them this year.

The pay clamp is now on and your next wage increase may come as a real surprise — when you see how small it is.

A leading firm of management consultants in Johannesburg says that many companies are now putting the brakes on wage and salary bills, which have been spiralling for the past 18 months.

In its latest Mid-Term Salary Survey, the PE Consulting Group says: "While salary and wage increases were generally higher than those recorded for the same period in 1979-80, the majority of participating companies project a rapid decrease in percentage pay increases by the end of the year and the most recent wage increases already reflect this trend."

They claim that average pay rises were about 14 percent for all sectors and race groups but with inflation running at more than 15 percent many people were worse off in real terms.

One method that employees have been using to beat the pay squeeze is job-hopping.

This is believed to cost large companies millions of rands a year because they have to increase cash rewards to attract replacement labour.

The survey discloses that one in four workers changed jobs last year, with the turnover of white salaried staff in the financial institutions running at a staggering 70 percent.

● "Good secretaries in Johannesburg can command their own salaries, with earnings between R800 and R1 100 a month," Mr Gerrit van Wyk, recruiting and psychometric consultant to Man Management, told The Star today.



# 355 23/4/81 'Workers need to live, not just subsist'

## Labour Reporter

Managements should pay workers living wages above subsistence level, according to a report in a recent labour guide.

The National Development and Management Foundation (NDMF) has produced the guide on "handling and harnessing labour changes in the '80s" which includes reports by academics and industrial relations experts.

In his article on job evaluation and pay structures, Mr R V Sutton, states that there is a large number of unskilled and poorly educated people

which ultimately deprives the black work force of effective bargaining power.

This in turn leads to minimum wages being depressed and sometimes falling below subsistence levels, he states.

Minimum wages established in various industries often do not take into account "quality of life" for workers.

Mr Sutton suggests a minimum living wage be established by increasing the allowances for the basic "life support" items such as food, clothing and medical expenses.

Discrimination in pay

practices through dual or polarised pay structures should be done away with, he adds.

Industrial relations consultant, Mr Andrew Levy, describes a struggle for "industrial survival" in his report and states that it is inevitable that in the next few years workers will be seeking a better standard of living.

He suggests that managements establish procedures for negotiation between company and worker officials to ensure industrial peace.

Huletts' industrial relations manager, Mr L B de Wet, states that the ma-

nagements must work to develop co-operative working relationships with trade union officials.

Mr de Wet adds that too often companies view industrial relations in terms of dispute conciliation instead of adopting the approach of dispute prevention.

He outlines a series of negotiating principles and calls for a two-tier structure for consultation and collective bargaining.

Other reports in the guide look at the skills shortage, utilisation of female labour and socio-cultural factors.

# Wages spiral eases off

5 Times  
6/4/83  
355  
128

By Jan de Beer

THE unusually high pay increases granted to employees last year seem to have eased off.

A recent P-E mid-term salary survey shows that over the past nine months there has been "a return to realism" on the part of employers after 18 months of spiralling wages and salaries.

The majority of participating companies projected a rapid decrease in percentage pay increases by the end of 1981.

And the most recent wage increases already reflect this trend, says John Ritchie, manager of P-E Consulting Group's salary survey division.

Major salary increases are generally granted at year-end and the boom was in top gear at the end of 1980. Now, however, some larger industrial concerns are beginning to express concern over the extent and strength of the boom.

As a result, salary increases during the first quarter of this year were significantly lower than for the same period last year. But compounded pay rises for the past nine months were generally on a par or slightly higher than those granted in 1979-80," Mr Ritchie says.

With inflation running higher than a year ago, increases in real terms are consequently even lower in most cases.

Average pay hikes during the past nine months were about 14% for all sectors and race groups.

A relevant point to emerge from the survey is that the skills shortage has led to many blacks being employed in jobs formerly held by whites.



# 54,5pc

NM

30/4/81

## Durban's ~~73~~ 355 ~~264~~ nurses call for huge pay increase

By PENNY WILSON  
DURBAN nurses expect no less than a 54,5 percent increase in their existing salary scales, a questionnaire completed by Natal nurses has shown.

According to the chairman of the Durban District and Coastal Branch, Miss Heidi Brookes, nearly 500 Durban nurses, who gathered together with other Natal nurses at a mass, multi-racial meeting March 26, said only a massive increase of 54,5 percent would satisfy them.

Nurses at the meeting were asked in a questionnaire what they considered to be a 'reasonable increase', and the answer — an average 54,5 percent — has been sent to the president of the South African Nursing Association, Prof Charlotte Searle, in Pretoria for consideration.

Miss Brookes said yesterday that although the Durban branch of the

Nursing Association was 'extremely grateful' to see that nurses had received their increases so promptly in their April pay packets, the fight for better salaries still had to continue.

'The branch has not yet carried out a survey among Durban nurses to find out exactly what their reactions are to the new salary structure,' said Miss Brookes. 'But I do know that there are many areas in which there are still numerous dissatisfied nurses.'

She confirmed that a nationwide survey under the auspices of the Durban District and Coastal Branch of the Nursing Association would be con-

ducted 'in the near future' to establish the full extent of the nursing crisis.

The vice-president of the South African Nursing Association, Prof Paddy Harrison, said in Cape Town yesterday the nursing crisis could be attributed mainly to a drastic shortage in ward sisters.

'Ward sisters are becoming a rare species in South Africa,' said Prof Harrison. 'It is the ward sister who is so badly paid, which is a bad mistake because she is so vital to the nursing profession.'

'Once the Nursing Association has won the battle for increased salaries for

ward sisters, the entire salary scale will probably have to be restructured to enable increases for all.'

A Durban emeritus professor of anaesthetics, Prof H Grant-Whyte, said yesterday he 'agreed with the nurses that they needed a 54,5 percent increase'.

'Nurses are grossly underpaid and only an increase of that amount will put things right,' he said. 'An increase of 54,5 percent is not such a terrific increase if one compares it to the salaries that doctors receive.'

'What must be emphasised is that doctors cannot do without nurses.'

# Living wage for blacks is 'R2 an hour'

CT  
A/S/81  
JOHANNESBURG. — An acceptable minimum living wage level for black workers in South Africa at present is R2 an hour, according to the Federation of South African Trade Unions.

In a policy statement issued in Johannesburg on the proposed amendment to the Industrial Act, Fosatu says most workers in South Africa live in poverty and have a struggle to provide the basic necessities of life for their families.

They have few luxuries, food is basic, travel is scarce and entertainment is minimal.

"Low wages in South Africa are a result of the powerlessness of the workers. Black workers have been unable to bargain for better wages and working conditions.

"Management and white unions have between them developed a wage structure which is unequal. It give high wages to skilled workers (mainly white), and low wages to unskilled workers (almost always

black)."

The statement says surveys, such as the Poverty Datum Line and the Minimum Effective Living Level, were supposed to show the minimum amount of money needed by a family of five to survive.

"Managements use these amounts to set wages. They often say that they pay wages above the PDL or MEL. They then claim that their workers are not getting starvation wages.

"Fosatu rejects these surveys as a way of setting wages (because):

"The amounts are worked out without ever consulting organized workers. "Workers do not decide what they need to live on — non-workers decide.

"Amounts are worked out by an abstract formula and are based on a family of five, and amounts are, in any case, supposed to be the minimum needed to live on, that is just above starvation level."

According to the statement, Fosatu demands that employers start paying a living wage, not a poverty wage.

Fosatu also demands that:

- Workers are given the legal right to bargain for better wages and working conditions and a higher standard of living.
- Workers are given the right to negotiate at national and plant level.
- Any resistance to this by managements be regarded in law as an unfair labour practice.
- The union be allowed to conduct a survey in the plant during working hours to find out what workers see as their needs.
- Unions should have access to information on company profits and that companies should by law be made to give all information on profits.
- Wages should automatically go up with inflation and should be linked to a price index. Wage negotiations should be about increases above inflation — about "real increases."
- Wages and benefits should be linked to long service, and shop stewards involved in negotiations should be given paid study leave so that they can learn about negotiating methods and company finances. — Sapa



# Govt's tough stand on new wage increases

RDM 23/5/81

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By GERALD REILLY  
Pretoria Bureau

THE Government is to take a hard line in determining the extent of the next round of wage and salary increases in the public sector, according to Pretoria sources.

This, it was stressed, would be part of the intensified drive against inflation which, although the consumer price index has sagged marginally during the past two months, is expected to be at a level of at least 17% when the 1981-82 salary increases are announced in April.

However, the more than 350 000 black and white workers in the state departments, police prisons and SADF, and the three post office and seven railway staff associations are expected to make "strong uncompromising" demands for increases which will at least compensate fully for the inflation rate.

The nearly half-a-million

whites in these public sector work areas reacted angrily earlier this year to their 12% increases which failed to compensate for the inflation rate and meant, they claimed, a further decline in their living standards.

This is why many of the staff associations including the Public Servants Association, the Artisans Staff Associations and the Posts and Telegraphs Association intend demanding increases which will compensate for the inflation rate and take into account that this year's increases were 3% less than the inflation rate.

Last month at its annual congress the Posts and Telegraphs Association resolved to ask the Minister of Posts and Telegraphs, Mr Hennie Smit, for interim rises to holster the "inadequate" 12% increases until April next year.

Although no reply has been received from the Minister, it

is certain that the demand will be rejected out of hand.

A similar demand by the Public Servants Association was firmly put down by the chairman of the Commission for Administration, Dr Piet Rautenbach last month.

The president of the Transvaal Teachers Association, Mr Peter Mundell, said the threat to educational standards would intensify if increases failed to compensate for the price spiral.

The low level of salaries in the nursing profession has also been identified as the major reason for the crisis in nursing.

The SA Nursing Association expressed immediate dissatisfaction when nurses' 12% rises were announced this year and said negotiations for improvements would be continued.

The Progressive Federal Party's finance spokesman, Mr Harry Schwarz, claims the country's public administration infrastructure is breaking down.



# Sanlam reports big narrowing in wage gap

There is little indication that the double-digit inflation rate will drop much in the foreseeable future, while it can be expected that average increases in labour remuneration this year and in 1982 will be lower than last year, says a Sanlam economic survey.

Wages and salaries rose at a considerably higher rate last year than in the preceding four years, the survey says.

"Taking into account the rise in the cost of living, the increase in 1980 was about three percent, as against a real decline of slightly under one percent in 1979."

While the real remuneration of white workers declined for five successive years, it increased by about 2,5 percent last year.

From 1971 to 1980 the incomes of blacks, coloureds and Asians rose by 69 percent, 36 percent and 15 percent respectively in proportion to that of whites, appreciably narrowing the wage gap.

## DISPARITIES

The survey notes "there are still large disparities in income" but says much of it can be accounted for by the difference in the degree of the workers' skill rather than by discriminatory income for the same work.

Average remuneration a worker in the public sector rose at a slightly higher rate than in commerce and the gap between the sectors for certain vocational categories could narrow further this year.

"The detrimental effect of sharp rises in labour remuneration on labour costs a unit of production in 1980 was partly counteracted by increased productivity of labour."

"The average real production a worker in the non-agricultural sectors of the economy increased by about 4,5 percent, compared with an increase of two percent in 1979."

"Notwithstanding this improvement in labour productivity, the labour cost a unit of production nevertheless increased by roughly 11,25 percent as against 10 percent in 1979."

"This more rapid increase in labour costs a unit of production was, in fact, an underlying cause of the stronger upward pressure on prices experienced in 1980."

"This once again stresses how essential it is that wage and salary increases must be supported by improvement in productivity to assist in

containing inflation. This, too, is a factor to be taken into account when endeavouring to narrow the wage-salary gap," says the survey.

On the cost of living the survey notes that South Africans have been burdened with double-figure inflation for the past seven years "and there is little indication that this state of affairs will improve much in the foreseeable future."

"On the contrary, since 1978, the rate of increases in the CoL has shown a rising trend."

"The rate of increase in

the consumer-price index rose from 10,9 percent on average in 1978 to 13,2 percent in 1979 and 13,8 percent in 1980."

Sharp rises in food prices in particular are responsible for the current high cost of living, the survey says.

"Food prices in the past year rose by 18,8 percent on average and meat prices increased by no less than 32,3 percent."

In the major part of the past decade food prices rose at a more rapid rate than prices of other goods and services.

## THE WEEK AHEAD

Today ex-dividend:

Pep Stores 55c; Tomkor 6c; Metcash 95c; Alex Lip 7c; Toyota 65c; Amrel 42c; Suth Sun 20c; Afcol 31c; Argus 150c; SAB 20,5c; IGI 6c; Rentbel 5c; Boland 15c; Fedfood 19c; Samstel 3,5c; Nampak 25c; Waltons 19c; Hosken 8,5c; OIL 1,5c; Amcoal 25c; E R Cons 1,05c; Lion Match 18c; Barlow 21c.

Meetings:

Today: Union Steel (ord) noon, General Hertzog Rd, Vereeniging; Ensign Clothing (ord) 10.30 am, Hyde St, Cape Town; ABC Shoe (ord) 11 am, Pritchard and Joubert Sts, Jhbg; John Orr (ord) 2.30 pm, 73 Pritchard St, Jhbg; Pep Stores 3 pm, Van Riebeeck Rd, Kuils River; Truworth's special 10.30 am, 24 Wale St, Cape

Town; Woolworths 3 specials noon, 24 Wale St, Cape Town; Bonmore 2 specials 11 am, 24 Wale St, Cape Town.

Tomorrow: Oceana ord, 11.30 am, 2 St Mary Ave, London; John Orr (ord) 3.30 pm, 73 Pritchard St, Jhbg; SAB special, 10 am, 2 Jan Smuts Ave, Jhbg; Lamberts Bay Ord 10.30 am, 20 Lower Burg St, Cape Town; United Oceana ord, 11 am, 20 Lower Burg St, CT.

Thursday: Frencorp ord, 9.30 am, 54 Marshall St, Jhbg; Hanhill ord, noon, 4th Floor, Van der Stel Place, 20 Melle St, Braamfontein; Metamin ord, 11 am, 45 Commissioner St, Jhbg. Friday: Coki ord 9.30 am, Glencairn, 73 Market St, Jhbg.

## DIVIDENDS

Dividends announced between May 21 and 27: Luce m (final) 10c payable July 17; ICS (final) 13,5c payable July 10; Caxton (interim) 6c payable July 20; Asseng

(interim) 8c payable July 13; ISA Druggists (final) 7,5c payable July 15; Bankovs. (final) 3c payable June 30; Hepworth 10c payable July 15; Malbak (final) 19c payable September 28.

Dan, Dan, the Toyota Man, say  
"We can supply  
DA TIPP  
today"

DEEDMAIL



SALARIES FM 5/6/81

## Women's winnings

(355) ~~416~~  
Are women wearing the pants in black families these days? The findings of the latest SA mid-term salary survey released by the PE Consulting Group seem to suggest they are. According to the survey, the salaries of black females are, on average, higher, and rising faster than those of black males in both the semi-skilled and skilled work categories.

The reason? Black females are moving more rapidly into white jobs than black males. Categories include: secretarial, fil-

ing and administration — traditionally held by whites.

"Black males are often stuck in semi-skilled positions at lower wages," according to Martin Westcott, director of PE's human resources division.

The survey also reveals that rates of salary increase were uniformly higher over the same period last year for all races except blacks, which were marginally lower. Between July 1980-March 1981 whites chalked up increases of 11.2%. This is attributed to the skills shortage and the economic boom. For blacks, a 12.3% increase was recorded.

These findings do not imply that attention is no longer being directed towards bridging the wage gap. According to Westcott, "Last year we did not have one category in which employers were paying below the PDL." However, the survey, which evaluates salaries of 500,000 people in 500 companies nationwide, tends to measure salaries paid by large employers. Conditions in such companies are probably more favourable than in smaller concerns.

# Wage gap huge despite rises for all groups

Own Correspondent

DURBAN -- The average earnings of more than 600 000 whites in a wide range of jobs exceeded R1 000 a month in March this year. Their earnings were 23 percent higher than in March 1980.

Department of Statistics surveys show that over the same period the earnings of black workers rose

25 percent to an average R220 a month, those of coloured workers rose 23 percent to R293 a month and for Asian workers the increase was 20 percent to R348 a month.

The surveys included more than three-million employees in the mining and quarrying, manufacturing, construction and electrical sectors, the Railways and the Post Office.

The figures reflect gross earnings and include bonuses and allowances.

On an overall basis the biggest increase was in the Railways where 271 305 workers of all races earned R132-million — 27,4 percent up on March 1980.

Post Office and mining workers received an average increase of 22,6 percent, construction workers 22,3 percent, electricity workers 21,8 percent and manufacturing workers 20,7 percent.

Of the industries surveyed, the highest average earnings were to be found among electricity workers (R530 a month in March), followed by Railways (R488), Post Office (R465), manufacturing (R437), construction (R334) and mining (R298).

The electrical industry has a high proportion of whites and this tended to push up its average.

For whites the most highly paid industry was mining and quarrying where pre-tax earnings were on average R1 170.

For blacks the biggest increases were in the Post Office, though the 32,8 percent boost still left black Post Office workers with the lowest average monthly wage surveyed, R190.

PLANNING  
REGIONAL  
URBAN &

TA Prizes  
or the best student in each of  
the courses of Building Economics I,  
I and III in the third, fourth &  
fifth years respectively.  
I : N D G Sessions  
II : A R Low Keen  
III: No award  
A Brick Association Prizes  
for the best student in the  
subject of Building Construction.  
C W von Düring  
For the second best student in the  
subject of Building Construction.  
> Strong

The Committee of the Western  
Cape Chapter of Quantity  
Surveyors' Prize  
For the student obtaining  
the highest marks in  
Professional Practice.  
P R Swift

Bell-John Prize  
For the best all-round student  
in any year of study.  
P C Key

QUANTITY  
SURVEYING  
(Continued)



FM 3/7/81

**MINERS' PAY**

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The pay of all black workers on gold mines, collieries and some platinum mines has been increased on average by about 20%.

The new Chamber of Mines minimum starting rate for novice underground workers has been raised by 15% to R115 a month. In addition, workers receive free board, lodging and other benefits worth R73 a month, says a Chamber spokesman. The new mini-

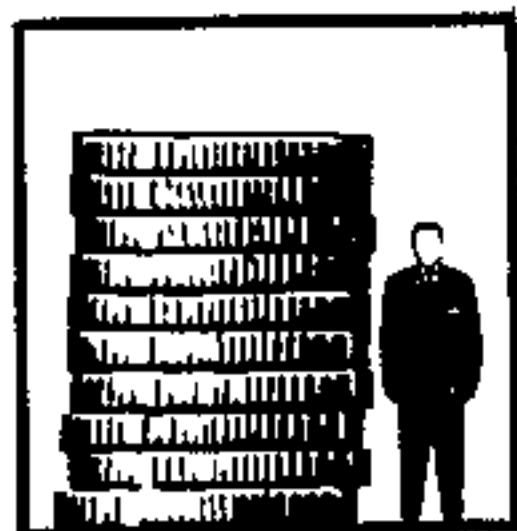
mum starting rate for novice surface workers will be R90 a month. This represents an increase of 20% over the previous starting rate of R75 a month.

Actual rates will be set by the mining groups in a series of job categories, depending on the responsibility and skill required, and on experience. The percentage increases in the higher categories may differ from the percentage increases in the starting rates.

Increases can also vary between different groups but, overall, the average monthly pay of black underground workers is expected to rise from nearly R200 a month to about R240.

According to the spokesman, the latest increases mean that the wages of blacks on gold mines are 13 times higher than they were 10 years ago. In real terms their pay has risen by 325% over the past decade.

# What the top men get



Money is a perpetually interesting topic — for those who make it and those who would like to make it.

In SA, information on the earnings of top executives, such as, for example, Donald Gordon of Liberty Life, Denys Marvin of AECL and Dick Goss of SA Breweries, is not as readily available as that on their counterparts in the UK, where companies are legally required to divulge executive directors' precise remuneration.

But published figures, in local companies' annual reports, do enable analysts, or the merely curious, to reach ballpark figures.

What the top men earn tends to be a jealously guarded secret. But take the executives at SAB. For the year to end-March, directors' "other emoluments" (the sum which covers cash remuneration packages for their management functions) are published as R685 000.

But while SAB has six executive directors, it is too simple to say that each gets R114 000 a year. Obviously, Goss earns more than fellow director, Selwyn McFarlane. However, ambitious SAB employees would see that sum, adjusted for inflation of course, as their target.

How does this compare with other major employers?

Liberty Life's payments for managerial services were R242 000 in 1980... indicating an apparently low average of R40 000 for each of the insurance company's six executive directors.

It's not quite as simple as that, of course. Four of Liberty Life's executive

directors are also executives of 81%-controlling shareholder Liberty Holdings. For that they received an additional R295 000 — an average of almost R75 000 each. And though it does not enter into the calculation of what can be strictly defined as management fees, several of the directors receive dividends from their equity interests in Liberty Holdings and their 66.5% stake in its 51%-controlling shareholder, Liblife Controlling Corp.

The difficulties of determining precisely executive remuneration packages are thus made obvious.

## Golden handshake

There's another factor which makes any company's published figures difficult to interpret. This is that directors come and go in any one year — a flexible situation which obviously applies more to some groups than others. In the case of SAB, Colin Hall (who remains on the board in a non-executive capacity) left during the 1981 reporting year, with a restraint of trade payment of R200 000.

Looking at the Premier Group, nine executive directors received R589 000, an average of R65 000 each. Other average emoluments of major groups are comparable, including that of the big banks (see table). Obviously, groups where financial arrangements resemble spider webs — for example, Anglo — are difficult to sort out unless you happen to be the spider. That is complicated further by the fact that in many cases directors' salaries paid by subsidiaries or associates are often assigned by the director concerned to the top company. In other words, they effectively become part of the management fees earned by the parent.

However, some trends are emerging.

Since executive directors' marginal earnings are taxed at the maximum end of the scale, recent years have seen the mushrooming of remuneration by fringe or non-cash benefits.

These include housing subsidies; loans at low or no interest; a free luxury car; pension contributions; medical aid; share options; accident insurance; top-hat insurance schemes; educational assistance for children; entertainment allowances; recreation allowances; and personal financial and tax counselling.

However, with the Receiver casting a beady eye on the cash value of such packages — as evidenced by government's fringe benefit tax proposals published in July 1979 by its Standing Commission on Taxation — some companies are looking at executive remuneration packages with a greater emphasis on cash compensation.

In this respect, they might well be guided by the latest top management pay survey of a group of UK management consultants.

According to the *Investor's Chronicle*, the survey "shows a significant rise in the importance of merit increases and bonus schemes, partly at the expense of automatic pay increases for senior managers."

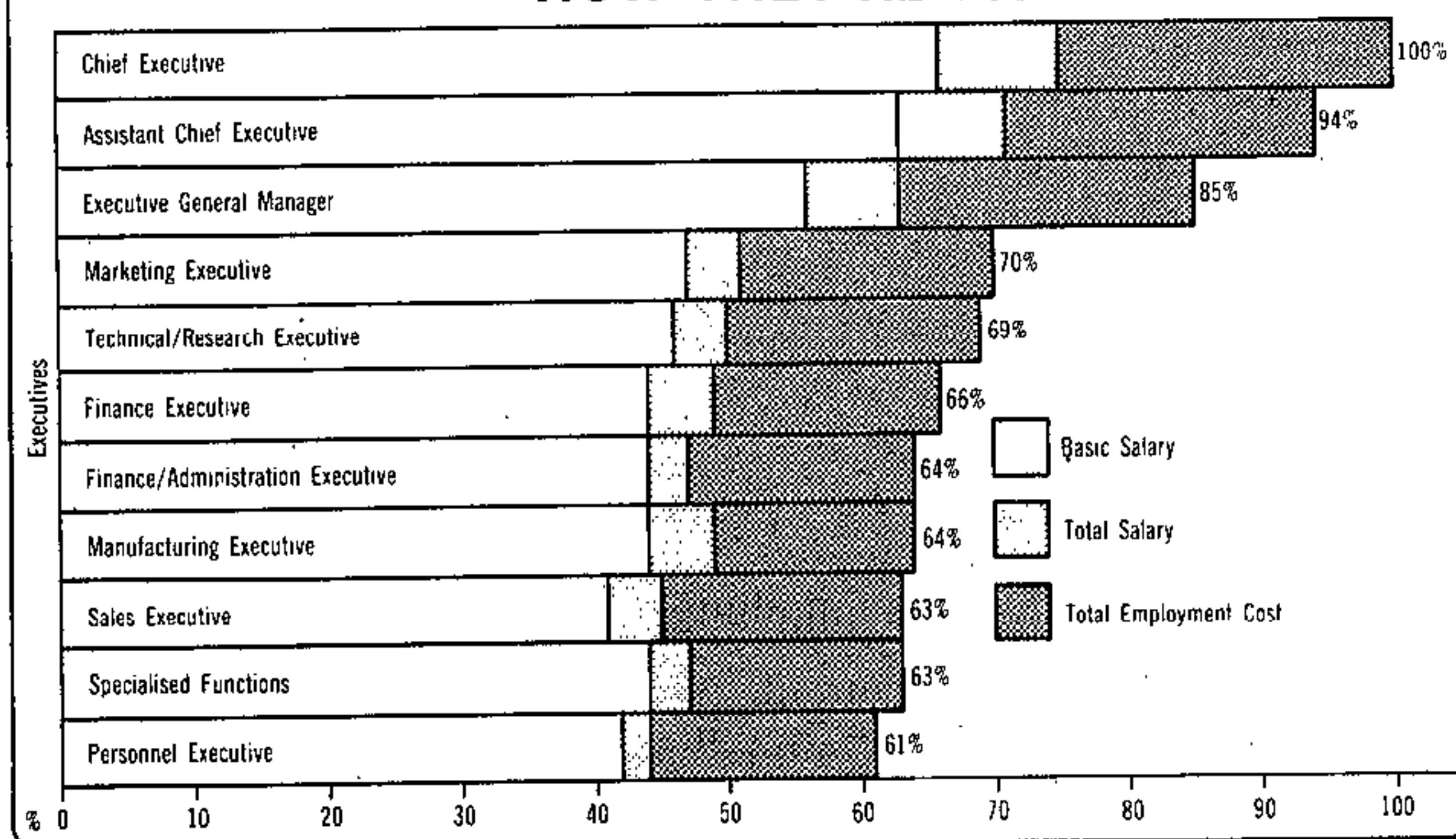
Gus Ferguson, of MSL's Hay Division, a salary consultancy, says that in SA there is a distinct trend to de-escalate the value of the benefit package. Companies, he says, will increasingly in future offer cash award incentives based on achievement of operating targets, rather than linked directly to profits.

Given high marginal tax rates, double digit inflation and perks tax, real cash disbursements to executives would then have to increase substantially if they are to maintain their real income levels.

For example, a director earning R130 000 at present, including R30 000 worth of "perks," could see his real income drop by R15 000 if the perks portion of the package becomes taxable. Just to stand still, his pay packet would have to be increased to R160 000. And while perks are a cost efficient means for companies to protect their executives against inflation, achieving that target on the basis of salary increases alone could become a major factor in corporate cost structures. Perhaps more to the point, it could result in directors' salaries being more closely linked to performance.

The UK survey noted that "even more dramatic is the trend towards performance bonuses..." This is again borne out by Ferguson, who notes that "cash related to performance is a major factor overseas, and I can't see SA not going this way, particularly given the drift towards

## HOW THEY'RE PAID



Typical packages . . . cash, bonus, perks



THE severe rise in bread prices — 33% to 40% — invites a more general question as to just how well blacks have been faring in the 1979-81 economic boom.

Mr Owen Horwood, the Minister of Finance, argues that they have been benefiting considerably. He suggests, in fact, that one of the main engines of inflation at work in the economy is the upsurge in black wages and a narrowing of the white-black wage gap.

There is, of course, some widespread confusion about the wage-gap concept. It can be illustrated by looking at pensions for the various race groups as the same principle is involved.

Mr Horwood announced in March in his mini-Budget Part Appropriation Bill that from October 1 the various pension rates would be increased.

The rises would be 21% for blacks, 14.5% for coloureds and Indians and 11.9% for whites.

That seems, on the surface, to be a move to narrow the racial differentials.

The immediate effect, however, is actually to widen them because of the totally separate starting points.

Thus the result in cash terms is that whites will get R13 a month more, coloureds and Indians R9 and blacks R7. The absolute gap increases.

In a similar vein that is what has been happening across the wages field.

Of course, if the higher percentage increases are given to the lower groups for a long enough period of years there will, eventually come a point when the real gap will start narrowing.

But that is many, many years off in most cases in South Africa — and there can be no certainty at all that the differing percentage movements will be maintained.

Apart from this, however, there has been another barely noted phenomenon over the past 18 months or so — that the wages of some skilled whites have actually increased by a greater percentage, and thus by a staggeringly greater amount, than blacks in the same industries.

This is not so surprising as it might sound.

Real growth of nearly 8%, as happened in 1980, put near-breaking point strain on some resources in the economy, especially skilled labour.

Some huge wage and salary increases in these cases could be obtained as a result, as many large and medium corporations will acknowledge.

Mr Horwood's view that the cost-push element of inflation has been heavily affected by wage trends among the lowest paid seems, therefore, to tell at most part of a story. The pay demands of the

# A closer look at black wage figures

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rom 4/8/81

Howard Preece



Economic Spotlight

6.1% higher in the second quarter of 1980 than in the corresponding period of 1979.

There is no detailed breakdown of these figures. The varying pattern for blacks, coloureds and Indians within the "non-white" category is not given, for example.

Assuming it be as authoritative a calculation as is possible, however, it is clear that the real increase in black living standards has hardly been fundamental.

Such increase as there has been must also be set against the 1975-77 recession.

Still, some progress is better than none.

But there is another area of equal disappointment for blacks, that of employment opportunities.

The gold-backed boom did not lead to a great upsurge in the number of jobs available.

Mr A J du Toit, the chairman of Volkskas, said in the group's annual report that the number of blacks employed outside the agricultural sector in 1980 was roughly the same as in 1976.

Black employment, he said, had shown no increase over four years although it had risen in the last two years after falling in the previous two.

Mr Du Toit said the increase in the number of blacks employed was 14.7% during 1973 and 1974. In the two-year period 1979-80, the increase was only around 4%.

In macro-economic terms this has had its positive side. It has been a reflection of greater business efficiency, more production per worker.

The Reserve Bank says: "Labour productivity as measured by the real gross domestic product per worker in the non-agricultural sectors of the economy increased by 4.5% in the first half of 1980 in comparison with the corresponding period in 1979."

more acute than for most. The economy is now clearly off the boil and 1982 promises real growth of only 2.5% or so.

If black living standards and employment have made no major breakthrough in the boom, what are their prospects in the business downswing? Obviously not good.

Remember, too, that the official sub-division of the consumer-price index is showing a 17.2% rise for the low-income groups for the 12 months to June against 14.5% for the overall CPI, and the bread-price increase has yet to come.

That follows a 20.1% rise in the lower-income CPI in 1980 compared with 15.8% for the full CPI.

It looks as though black workers will need to be earning about 40% more next January in money terms to have the same real incomes that they had at the beginning of 1980.

Hundreds of thousands, probably millions, will surely not achieve that.

Yet what is to be done?

Mr Harry Oppenheimer pointed out in his chairman's statement for Anglo American that there are few realistic opportunities for deliberately promoting labour-intensive production methods in place of capital equipment.

Artificial attempts to do so would ultimately be self-defeating.

There is a case, however, for tax incentives to encourage greater training and thus eventual use of skilled workers.

There is no future in merely pumping money aimlessly into the economy to boost general demand.

The 1979-81 boom did not originally start running down because of lack of demand, it foundered principally on supply bottlenecks.

Inevitably one returns to familiar ground. Black living standards and job prospects will best be served by removing the conventional employment barriers and by giving the highest priority to education.

Carried through to its logical conclusion that must eventually lead to a redistribution of income, proportionately rather than absolutely, in a dynamic rather than a static economy.

It says that in manufacturing output per manhour rose by 4.5% in 1980 against 2.4% in 1979.

In a way what is happening in South Africa is part of a world phenomenon.

Unemployment in the major Western industrial nations is approaching 26-million, nearly 3-million in Britain alone, as industries struggle to combat cost squeezes by shedding surplus labour.

In theory, as any student economist will know, the whole process is extremely healthy — a necessary condition for a resurgent and more efficient industry and for the relocation of workers into new areas of economic need.

In practice the short-term and medium-term consequences can be grim, as the burning city centres in Britain partly testify.

For South Africa the crisis is

comment on it would be premature. He said the firm's turnover had increased to more than R600 000, but he would not comment on profits until shareholders had been informed later this month.

WAGES

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## Opportunity gap

FM 7th Aug 1981

"There should be less preoccupation with the wage gap and more emphasis placed

on closing the opportunity gap." So concluded Issy Pinshaw, president of the Association of Chambers of Commerce of South Africa (Assocom), in an address to the annual conference of the Association of Personnel Service Organisations of SA.

Pinshaw urged that merit rather than colour be emphasised and that the wage gap be narrowed ensuring equal pay for equal work. He added that salaries of both qualified and semi-qualified staff have recently increased so rapidly that salaries presently paid to typists have reached a level at which businessmen are considering mechanisation in the office in preference to taking on more staff.

Average monthly earnings of whites in trade and commerce increased from R208 in 1970 to R540 in 1980, while earnings of Asians increased from R91 to R277 and coloureds from R64 to R186. Blacks' earnings increased from R46 to R139 in this sector.

In manufacturing, average monthly earnings for whites increased from R300 in 1970 to R917 in 1980; those of Asians from R76 to R287; coloureds from R71 to R254; and blacks from R52 to R217.

In government and public services, average monthly earnings between 1970 and 1980 rose from R264 to R634 for whites, R104 to R420 for Asians, R89 to R229 for coloureds and from R42 to R168 for blacks.



Notes: to APPENDIX A on previous page (48)

Sources: Pen-BAAB Annual Reports of the Auditor-General on the Accounts of the Pen-BAAB.

Figures for 1973-4 are for 8 months only (1 September 1973 to 31 March 1974). All other years are from 1 April to 31 March the following year.

In developing a policy and practice for the administration of the black population in the urban areas the state has sought to maintain its control over labour, the differential allocation of labour created by the tribal bureaux, and created forms of political control, where otherwise the workers housed in a common area, would have potential access to collective political expression.

The creation of the Bantu Administration Boards in the early 1970s was a means of dealing with at least some of these problems. Their establishment was not an isolated development in the field of labour control.<sup>10</sup> It is clearly linked to the legislation designed to rationalise labour supply.<sup>11</sup>

The control and finances of urban locations were removed from local authorities to centralised Bantu Administration Boards. In Cape Town, for example, Langa and Guguletu (formerly administered by the Cape Town City Council) and Nyanga (formerly administered by the Cape Divisional Council) brought under the control of the newly created Peninsula Bantu Administration Board in September 1973.<sup>12</sup> The Board took over the Bantu Revenue Accounts of the respective authorities and monies which would have been paid into the significance of the creation of the Bantu Affairs Boards (BAABs) was not only that where previously the locations had been determined by the needs and resources of individual municipalities, the control and accommodation of the working class now became subject to the uniform policy of a central authority, but also, and more importantly, that location control was linked to the dictates of labour allocation.

10. The boards were established in terms of the Bantu Affairs Administration Act of 1971.

11. Particularly the Bantu Labour Regulations of 1968.

12. The Peninsula Area Administration Board is hereafter referred to as 'Pen BAAB'.

## The Natal Mercury

### Wages up 12pc for unskilled blacks

Financial Editor  
Wages for black unskilled workers rose a substantial 12 percent in the second quarter, the Natal Chamber of Industries reports in its quarterly wage survey. But there was only a five percent rise in the first quarter of the year.

Between June 1981 and June 1980 there was a 30 percent rise, which means that wages in this, the lowest pay area, have risen faster than the cost of living which, over the period, has been running at about 15 percent a year.

The survey of 13 279 workers from 38 Natal manufacturers shows an average wage of R50.30 a week, up from R44.92 in the March quarter, up from R38.70 in June 1980 and up from R18.02 in December 1973 — a rise of 179 percent.

### Food costs

A Chamber spokesman said it was not known whether industry had made wage adjustments recently because of the rise in transport and food costs.

We tend to think it wrong to react to each price increase as it would generate a feeling that each rise would merit a salary increase.

## Merit pay at plant goes up

CU 101-21/8/81 (53) (17) (28)  
SALARIED workers at the Ford Motor Company in Port Elizabeth have received a substantial salary adjustment from this month.

A spokesman for Ford confirmed today that "supplementary merit adjustments" varying between 10% and 20% had been made for salaried workers from the beginning of this month.



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# Higher black wages more is spent on food

FOOD, although traditionally considered price inelastic, is certainly affected by changes in economic conditions for South Africa's lower-income groups.

Higher income levels for black people almost always result in a greater expenditure on food.

The food purchased is usually more nutritious and expensive, such as fruit, vegetables, chicken, which very poor people cannot afford.

Tony Bloom, chairman of the Premier Group, comments: "The food industry, which has just had an outstanding year, lags 12 to 18 months behind the economy."

"There is a gradual change from 'first generation foods' such as bread and mealie meal to 'third generation foods' like chicken, eggs and rice."

For this reason most food companies expect a year of steady growth reflecting a real growth rate of not more than 5% in contrast to the spectacular results of the previous year.

During 1980/81 the two giants, Premier and Tiger, both passed the R1 000-million turnover mark for the first time.

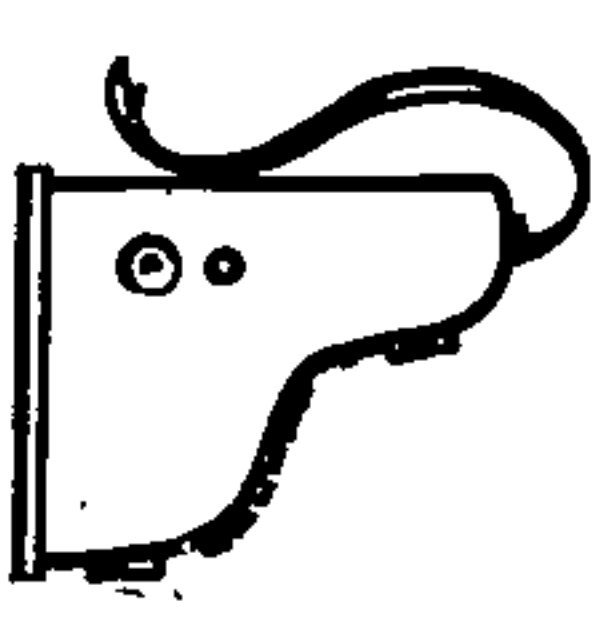
Exceptional growth was achieved by Cadbury's and by Kanhyam, in the latter case mainly through acquisition but also through turnover growth.

It is interesting to note that Tiger, Premier and ICS, with massive stock values, have chosen to switch to life, to lessen the effects of inflation in a particularly inflationary year.

Considerable cash-flow benefits have been effected in this way, amounting to approximately R3-million in the case of Tiger.

The food industry is in a delicate position with regard to consumer reaction after a year in which there was a real growth rate of approximately 8%, and a rise in consumer

BY ANNEMARIE MOLTEÑO



prices of 14% was accompanied by an approximate 19% increase in food prices.

During 1980 red meat prices rose by over 57%, beef by 87%, mutton by

59%, lamb by 57% and pork by 27%.

The fact that the meat price had been kept artificially low for six years has not improved matters,

|                                                                                                       | Cadbury-Schweppes | Fedfeed | ICS    | I & J  | Kanhyam | Premier | Tiger  |
|-------------------------------------------------------------------------------------------------------|-------------------|---------|--------|--------|---------|---------|--------|
| Current Ratio                                                                                         | 1,55:1            | 1,42:1  | 1,35:1 | 1,54:1 | 1,29:1  | 1,65:1  | 1,41:1 |
| Liquid Ratio                                                                                          | 0,82:1            | 0,64:1  | 0,91:1 | 0,70:1 | 0,80:1  | 0,64:1  | 0,74:1 |
| Fixed Assets Turnover (sales ÷ net fixed assets)                                                      | 4,3               | 5,0     | 8,8    | 5,2    | 3,8     | 6,4     | 4,6    |
| Inventory Turnover (sales ÷ average inventory)                                                        | 6,7               | 7,7     | 17,7   | 8,5    | 8,1(a)  | 9,3     | 10,2   |
| Debt:Net Worth (Total Liabilities:Total shareholders' interest)                                       | 0,81:2            | 1,14:1  | 1,52:1 | 0,83:1 | 1,25:1  | 1,33:1  | 0,93:1 |
| Interest bearing debt to Ordinary shareholders' interest                                              | 0,41:1            | 0,46:1  | 0,81:1 | 0,15:1 | 1,06:1  | 0,80:1  | 0,86:1 |
| Net Profit Margin (net profit after tax as a % of turnover)                                           | 9,7%              | 3,8%    | 1,55%  | 3,1%   | 3,6%    | 3,8%    | 4,0%   |
| Return on Total Assets (net profit before tax & interest as a % of total assets)                      | 21,4%             | 16,2%   | 11,6%  | 12,0%  | 10,4%   | 16,8%   | 15,8%  |
| Return on Ordinary Shareholders' interest (after tax)                                                 | 22,7%             | 19,7%   | 14,0%  | 12,9%  | 15,8%   | 22,8%   | 18,4%  |
| Earnings - cents per share                                                                            | 95,4              | 7,81    | 50,2   | 22,2   | 127,5   | 159,2   | 323,8  |
| Cash Flow - cents per share (Ordinary Shareholders' interest after tax - depreciation + deferred tax) | 116,7             | 116,9   | 111,8  | 46,3   | 203,5   | 266,6   | 570    |
| Net new investment in Fixed Assets as a % of Total Assets                                             | 5,3%              | 12,6%   | 11,8%  | 13,1%  | 33,5%   | 11,3%   | 7,5%   |
| Dividend - cents per share                                                                            | 35,0              | 34,0    | 18,0   | 11,0   | 44,0    | 51,0    | 83,0   |
| Payout ratio (last year) as a % of earnings                                                           | 37%               | 43,5%   | 35,3%  | 49,5%  | 34,5%   | 32,0%   | 25,6%  |
| Payout ratio (last year) as a % of cash flow                                                          | 31%               | 29,1%   | 16,1%  | 23,8%  | 21,6%   | 19,1%   | 14,6%  |

and red meat consumption has dropped 30%.

An earlier increase of 50% in maize affected the prices of chickens unfavorably and resulted in widely fluctuating prices which have now stabilised at R2 a kg, with the demand particularly strong at present.

Without exception the food companies advocate regulation of the industry, complaining only of the low floor price for red meat — ie, the price at which sales are guaranteed — and the inability of the control boards to achieve a maximum smoothing effect on price.

Mr Bloom in his annual report supports the strategic use of cheap food exports as a political necessity. Consumers, however, find this issue a matter of burning resentment.

Dr W J de Villiers, in his capacity as chairman of Karoo, emphasises the production costs, the increase in which he puts as high as 98%.

He also draws attention to the long production cycle which necessitates up to four years to respond to increased prices for beef.

Cattle stocks in South Africa are particularly low at the moment, having decreased from 9,4-million in 1980 to 8,3-million in 1981.

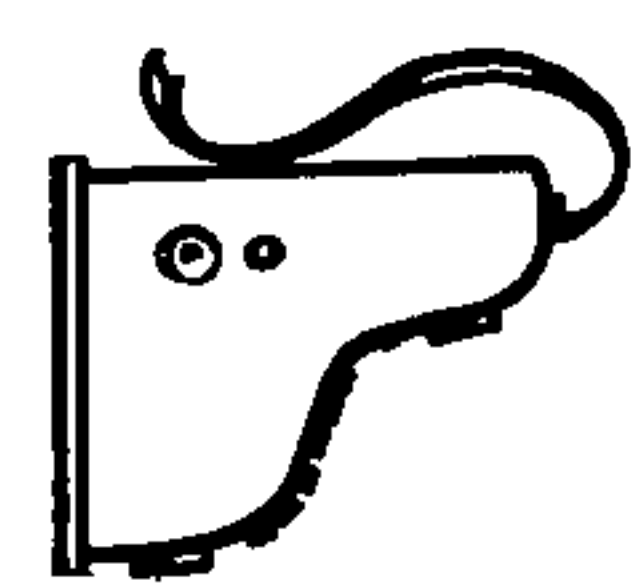
Much is expected from the "feedlot system", which represents an advance in the technology of animal nutrition that resulted in a doubling of beef production in the United States in only 20 years.

White South Africans spend only 5,2% of their earnings on meat which is less than that spent on liquor; the black, Indian and coloured communities spend an average of 9,6%, having lower discretionary income.

Nevertheless, Kanhyam's exceptional growth (projected at 50% for 1981) must be attributed to its dominant position in the meat industry at a time of sharply rising prices.

Acquisition of a controlling interest in the Karoo Meat Exchange and the merger of Kanhyam, Karoo and Asokor's meat interests have created a vertically integrated production chain, starting with cattle farming and ending with meat, meat products and leather goods.

Rationalisation and modernisation benefits are predicted in spite of the phenomenal inflation rate and high production costs. Kanhyam achieved a 3% compound growth rate



over the four years to September 30 1979, and Karoo 22,5% for the four years to June 30 1979.

In the case of Kanhyam, record sales for 1980 have raised growth rates to 45,89% compounded (using a weighted number of shares to calculate earnings per share).

Bearing in mind that the benefits of rationalisation are yet to be felt, and given the excellent results to date, growth can only continue in the long run.

The danger for any industry controlled by a small number of companies is that production tends to be lower and prices higher than they would have been if there had been a greater degree of competition.

Recent price wars in mealie meal and chickens have shown that this is not the case, and the essential research and development needed for survival under intense competition are being pursued.

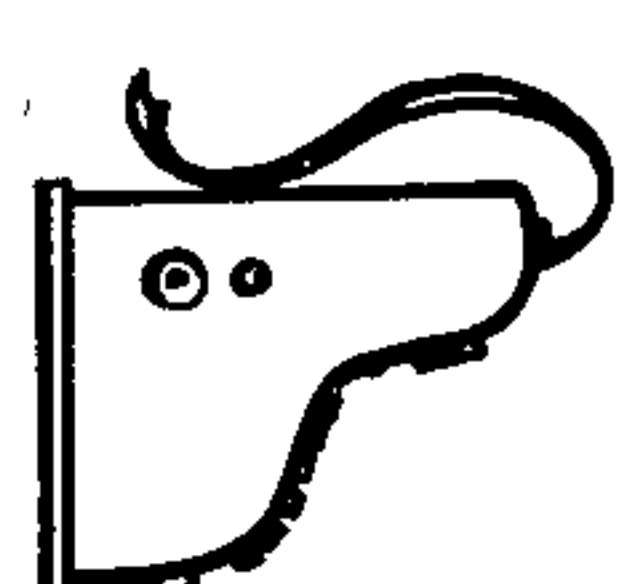
## Industry lags 12 to 18 months behind economy

overseas group with well-researched and established brands and high-quality products mainly aimed at the upper end of the market — enabling it to benefit particularly well from the latest period of prosperity and relatively high discretionary levels.

Above-average management and a commanding position in the market in which it operates enabled Cadbury's to reduce turnover in real terms while earnings per share rose at a compound rate of growth of 35,4% over a four-year period.

Given the high rate of inflation, the 4,9% compound rate of growth in turnover amounts to a significant decrease in sales.

New investment was lower in 1980 compared with other companies analysed, while its net profit margin at 9,7% was 2,4 times greater than Tiger's



4%, which was the next highest.

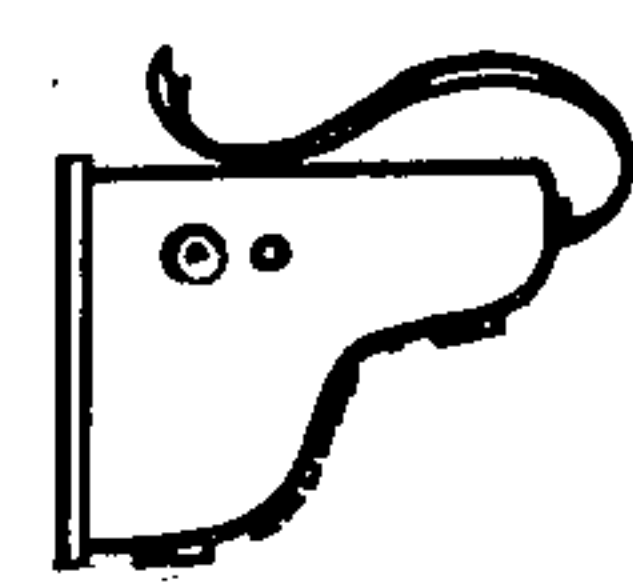
Fedfeed's growth in sales over the past five years has been impressive, but growth in earnings per share has been disappointing.

It now has the advantage of size, which appears to have been one of its objectives, and can

now hopefully concentrate on organic growth.

Return on total assets and on shareholders' funds is the third highest in this sector. Meanwhile, the benefits of synergy may take some time to filter through, especially in sectors such as snack foods (Simba, Riviera).

Most of the companies analysed mention new products and the importance attached to staff training. If our palates and pockets are to be satisfied, dy-



namic management and the more rapid introduction of new and better products must remain high priorities.

A guideline as to what percentage of earnings is spent on research and development, innovation and staff-training schemes would be helpful in assessing future performance.

All the companies analysed draw attention to the problem of obtaining skilled manpower, and the importance of shouldering responsibility for a huge investment in training its staff, black staff in particular, is clearly spelt out in the Tiger Oats annual report by the outgoing chairman, Mr R L Frankel.

He says that "the Republic's economic future, and accordingly the well-being of all its inhabitants, will primarily depend on the success of the continuing efforts being made to improve the productivity of the indigenous population, especially that of the blacks".

"The duty of tackling this most formidable task now rests squarely on the shoulders of the private sector."



# EL milk strike:

## No home delivery

Argus Correspondent

EAST LONDON. — No milk was delivered to East London homes today after about 160 milkmen went on strike, apparently for higher wages.

The strike started at midnight.

'We expected trouble of some kind,' said the chief executive of Model Dairy, Mr M Gatcke.

'The workers' committee approached us last week, asking for higher wages.

'We told them they had recently had an increase, and we were unable to grant another.'

Mr Gatcke said the company had had little other warning.

### SENT HOME

'We really only realised what was happening at midnight when 160 workers failed to arrive.

'We sent home another 30 who did report for duty because we feared for their safety. We were afraid of intimidation.'

He said about 70 per cent of the labour force was on strike.

'We have been able to maintain deliveries to shops and supermarkets, and will have to decide what steps to take to restore our other services.

'I don't know whether our staff will return or whether we will have to hire others.'

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# Farm workers suffer drop in wage power

**SOUTH AFRICA'S** 1,3-million farm workers have suffered a deterioration in the purchasing power of their wages and in their living conditions in the last 20 years, according to a new study.

The study, conducted by a Johannesburg-based committee of university-trained researchers, found that the prevailing cash wages for unskilled black men in the Transvaal and the Orange Free State was about R25 to R30 a month at the beginning of 1980.

Details of a Government survey revealed in Parliament on Tuesday showed that in the eastern Free State average monthly pay was R26,60. The value of payments in kind was estimated at a

further R31,97 housing excluded. Soweto

The Government survey also showed that in the western Tvl average monthly cash pay was R33,56 and in-kind benefits totalled R34,26.

Figures for other areas were (in-kind benefits in brackets): North Western OFS R33,51 (R49,99), Highveld Region, R26,42 (R50,87), Western Cape R53,42 (R76,35).

Replying to criticism of the pay and living levels, farmers' spokesmen point to the value of in-kind benefits and of housing provided by farmers.

SA Agricultural Union director, Chris Cilliers said a union survey in the eastern Tvl found cash plus

in-kind adult wages running from R55 a month to R130.

In the Western Tvl Administration Board area compares well with those paid in local country towns.

Beginners pay in Lichtenburgh is at present R99 a month, says the board. Average cash pay for nearby farms is R38. If the value of in-kind benefits and the cost to town dwellers of housing and transport are added to this sum, the farm worker has a living standard equivalent to that of a town labourer earning R127 a month, says the board.

The average income of a Soweto family is more than R300, according to the market research organisation, AMPS.

Mr Cilliers said statistics showed the national farming wage bill for all races had risen from R200-million in 1970 to R800-million in 1980.

But Researchers working on the new study said that to infer black wages had risen accordingly was "incongruous with all our findings."

is realized. This is equivalent

on equity for the parent company

But if the machinery has been then the parent company's net is not \$0,65m but only \$0,45m rate of return on capital investment and not the 30% as stated.

The major implications of this means of artificially lowering the subsidiary's profit are :

- lower tax is payable in the foreign country
- as mentioned immediate profit is withdrawn from the foreign country (due to the high price of the machinery).

A problem that is always considered when investing

CT 16/9/87

# Pay rises likely to equal inflation

By GORDON KLING

THE downturn in the South African business cycle is clouding the outlook for year-end pay rises but most employees in the private sector are likely to keep up with inflation.

Adjustments for the introduction of a real income-eroding tax on fringe benefits from early next year, however, are ruled out.

Economists, personnel consultants and major employers yesterday put average December wage and salary increases for the coming year at between 12 and 17 percent, compared with an expected rise in the consumer price index (CPI) this year and next of about 15 percent.

No public sector increases are in the pipeline.

"Economic growth is slowing down and the over-full employment position won't be as pronounced as last year so one would expect less job switching for higher pay," said Nedbank's chief economist, Mr Merton Dagut, from Johannesburg.

"It's also clear that the rate of increase in company profits will decline and that must influence managements to moderate in-

creases, but on the other hand the CPI is still at a very high level, 15.5 percent for the year to July, and people will expect compensation."

Mr Dagut had an "intuitive feel" for an average pay rise of slightly under 15 percent.

The director of the University of Stellenbosch Bureau for Economic Research, Professor J L Sadie, was more optimistic, predicting people a company really needs, and by that I don't necessarily mean top management, will get up to 25 percent while the other 80 can expect about 12 percent across the board.

## Salary leaps

"Nobody is going to make any adjustments on account of fringe benefits till the legislation is passed. In fact employers are still trying to find new fringe benefits to offer. A lot of people tend to disbelieve that the government will really do something and I even find myself in that category although I know it's coming," he said.

"We went through some really incredible salary leaps last year, particularly in accounting and engineering where there were regu-

lar gains of up to 50 percent, but things have calmed down a lot and there isn't such an acute shortage of key people."

A spokesman for the Industrial Council for the Building Industry in the Peninsula said an agreement had just been accepted which would raise wages of artisans by 12 percent and semi-skilled workers, essentially labourers, by 15 percent from November 1.

Over at the banks nobody was talking about rises.

"We're negotiating with the SA Society of Bank Officials right now for a whole new pay structure effective from the beginning of next month and this will also affect the year-end increases," said a spokesman for Barclays National Bank, who could not comment on the likely outcome.

## Hard-pressed

Salary increases of 12 to 15 percent were predicted in the hard-pressed building society movement. The manager of the Cape Town branch of the E P Building Society, Mr Roy von Litsenborgh, said this was likely to be the range but much would depend on merit.

"I don't personally think people will be paid more in anticipation of fringe benefits being hit. Things seem to be getting a bit tough and most people just won't be able to change jobs."

The managing director of Renwick Management Services, Mr Mat Leach, believed pay boosts would be nowhere near as high as last year.

Rises this year, he maintained, would fall into two categories based on what he called the 80-20 principal: "The 20 percent of the an increase of about 16 to 17 percent. The economy was, still short of skilled manpower and businesses were still trying to bid workers away from each other. Professor Sadie believed this would cause wages and salaries to lead the inflation rate rather than follow it.

Mr Ralph Parrott, head of the Manpower temporary staff services group, lashed out at employers linking rises to the cost of living and doubted there was a case for rise averaging 15 percent.

"I don't think employers are seriously considering what they are getting for their salary money in the same way they do for advertising costs, floor space and other factors, and the time has come to do this."



# Wage rises

# outpace

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ARGUS 20.10.81

# productivity

Argus Correspondent

EAST LONDON. — In the past 12 months wage packets in South Africa grew on average by 21.2 percent but the average worker's productivity rose by only 2.6 percent.

Dr Jan Visser, executive director of the National Productivity Institute, said this at the meeting of the executive council of the Federated Chamber of Industries.

He described the development as 'alarming'. A number of industrialists said it could fan inflation and impair South Africa's competitive position.

# Inflation has decimated

By Elizabeth Rouse

THE extent to which inflation has whittled away salary and wage increases over the past 10 years is graphically illustrated in the latest Volkskas Economic Spotlight.

In the period 1970-1980 average remuneration per worker outside the agricultural sector increased by about 223%.

That looks like a spectacular rise in pay. But the inflation monster grew by 177,8% over the decade.

This means that the average real remuneration of workers rose by about 25,4%, or a mere 2,3% a year.

Over 10 years, disposable personal income at current prices rose by no less than 281%, direct personal tax by 340% and total remuneration by 303%.

At current prices the gross domestic product grew from R624 in 1970 to R1 891 per capita in 1980.

There were wide differentials according to population group in the increase in pay per worker (outside the agricultural industry).

At current prices (without adjustment for inflation) average increase in wages for white workers was 183% (11% a year); for coloureds 225,6% (12,5% a year); for Indians 286,2% (14,5% a year) and for blacks 372,5% (16,8% a year).

Taking inflation into account, salaries and wages of whites increased by a mere 2,4% over the decade (0,2% a year on average); those of coloureds by 15,2% (1,4% a year); those of Indians by 36,8% (3,2% a year) and those for blacks by 68,5% (5,4% a year).

Redistribution of income was considerably stimulated during the past decade. In 1970 average wages of white workers were 3,5 times those of coloureds; 3,1 times those of Indians and 6,8 times those of blacks.

By 1980 the average ratio between white and coloured wages had declined to 3, that between whites and Indians to 2,3 and that between whites and blacks to 4,1.

Sun Times (B.T.) 13/12/81

pay rises

1/2/82  
355

In the discussions of run stream submission and the elements of the run stream, information was provided about the entering of data through an input device. It was mentioned that the user's control or run stream is entered into a data file (HEAD) by the Operating System and that the information in the run stream is available to the scheduling routines, system processors, and the user. The mechanism for handling the unit record input/output is the symbiont complex. The symbiont complex consists of symbionts and associated input/output cooperatives. A symbiont is a routine which runs asynchronously with user programs or runs. Its purpose is to communicate with the unit record device and buffer information on mass storage. This type of mechanism is necessary in a multi-programming environment and to divorce the user from the device, usually a card reader, printer or keyboard device. The information is placed on mass storage. A corresponding input/output cooperative will then extract the data from this file and transmit this information to the user. One of the mass storage files that are automatically assigned to each user is READ\$. Each run as it is entered is given a READ\$ file. The method the user utilizes to acquire symbolic images from this file is the executive request, ER READ\$. This request is generated by a compiler or assembler statement. In a like manner, a print output file is automatically assigned to each run. This file, PRIN\$, is used to accumulate all printer output produced by a run. This includes information output by scheduling routines, system processors, and user programs. Images are placed in this file by the executive request, ER PRIN\$. These print files are queued, and then transferred to the output device as the devices become available. The output to the device is done by the output symbionts. Run streams can be stored as data files and entered for execution internally. For example, a run can schedule another run which is internally stored. In addition, data can be added to run streams which were either stored, or input from a symbiont. The control statements which accomplish these two functions @ADD and @START command. It may be necessary or advisable to modify the normal handling of print files. It is possible to break up a print file into smaller segments and/or direct printer output to some specified device. The commands which accomplish these functions are the @BKP (2.11.7) and @SYM (2.11.8) control statements. These are particularly useful



file (same QUALIFIER and FILENAME). Omission of the F-CYCLE implies that the most recently constructed file is intended.

A file with a particular F-CYCLE number can be referenced in one of two ways:

#### a. ABSOLUTE F-CYCLE NUMBER

The Absolute F-CYCLE number is always an unsigned integer within the range of 1 to 999. This number is an integral part of the external file name and will remain a part of that name until the file is decatalogued.

#### b. RELATIVE F-CYCLE NUMBER

- (1) The last file to be produced and catalogued may be referenced by either (0) or the 'Void' reference; that is, by the omission of the F-CYCLE parentheses.

#### ● To Page 3

These are the secretaries and

Donald Jennings, managing director of a well-known placement agency, calls them "the highfliers, who have priced themselves out of the market".

But some employment categories will be vulnerable in a tightening of the employer belt.

Also, the skilled labour shortage persists and employers will have to pay the right salary or wage to get the specialists they want. There will merely be a shift of emphasis from fully stocked industries to other areas, says Mr Spencer.

Top executives with high technology skills, as against only management skills, will still be able to name their price, says Bill Spencer, managing director of Renwick Management Services.

However, none foresees a drop in demand for highly skilled people — either at the top or on the factory floor.

Business and industry will have to tighten up their salary bills and look for quality, not quantity.

sultants surveyed by Business Times this week forecast a slower rate of salary and wage increases than over the past two years.

By Elizabeth Rouse

THE salary and wage bonanza is dead. This is the consensus among top management and employment consultants.

However, an important feature of the recent pay fiesta has been the number of employees in key sectors who have scarcely benefited — if at all — from the mushrooming of remuneration.

Everyone has followed the battle by teachers, nurses, policemen for living salaries — highlighted blow by blow in the newspapers.

But newspapermen, who have faithfully reported the pay injustices in key sectors of South Africa's social services, have been the forgotten people.

For instance, one of the country's leading newspaper editors notes that increases in salaries of newspapermen have averaged only 10% to 12% a year in recent years.

"In other words, these people have suffered a setback in their real earnings, after allowing for inflation, of as much as 5%."

The chairman of one of the country's largest retailing groups comments: "We feel employees in certain key sectors have been cheated."

"After all, we also have hungry shareholders. Yet the average increase in pay for our 27 000 employees last year was around 25%."

"Many of our black employees received hikes of 30% or more."

A senior police officer complains that his men have also fallen behind when inflation is taken into account. Those who have remained dedicated to the force have paid in terms of standards of living.

In contrast, the corporate sector is still well set with reasonable pay increases on the horizon for 1982. But the name of the game in the two-year pay bonanza has changed.

With corporate profit growth slowing down, productivity will be the watchword in employment next year.

Leading Johannesburg management and employment con-

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EXAMPLE:

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