

# Congress Militant

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**Workers in all industries unite!**

## What is COSATU's policy?

The demand for a National Minimum Wage has long been the policy of the Congress Movement. The Freedom Charter states: "There shall be a forty-hour working week, a national minimum wage paid... Miners, domestic workers, farm workers and civil servants shall have the same rights as all others who work."

When COSATU was launched in 1985, the leaders were mandated to "establish as soon as possible what workers regard as a minimum living wage". The purpose was to set a definite figure which could mobilise all workers in a united struggle to end starvation wages. But the resolution of the founding Congress was not carried out.

In 1987, COSATU's Living Wage Campaign was launched -- but still without a definite demand for a National Minimum Wage. As a popular idea, the workers' right to a "living wage" spread widely. But the union leaders have failed to join the different wage struggles together into one movement. Instead of national strike action under COSATU using the full power of all the workers against the employers, each section of workers has been left to fight separately.

Yet it would not be difficult for a special COSATU Congress to decide on a figure for a National Minimum Wage demand, and to prepare a national strike of all workers to enforce it.

With correct timing and good planning, every section of workers could link their own wage claims in the different industries to the common fight for a National Minimum Wage. The higher-paid workers would give their solidarity to the low-paid workers, and at the same time use the strength of a united mass movement to support their own higher demands.

We believe the rank-and-file of the unions would welcome such an opportunity. The obstacle is the officials of a number of unions who are now against mobilising workers for a serious fight. They have begun to campaign against a National Minimum Wage.

In May this year COSATU took a step forward at its Living Wage Conference. It asked a committee "to establish what national minimum wage should be suggested and to develop a programme of action to achieve a national minimum wage." Following this, the committee proposed R700 a month.

We think that figure is too low -- it is little over R160 a week. We prefer a demand of R200 for a 40-hour week.

Our reasons are explained on another page. But to us, the most important thing is agreement among workers on a specific figure and united action to enforce it. If COSATU launches national industrial action to force the government and the bosses to concede a national minimum wage, we will support the COSATU demand. Unfortunately, the COSATU Campaigns Conference in September retreated from the position achieved in May. It ended without agreement, without a policy.

The *Campaign Bulletin* (No. 3, 1990) reports that some unions -- TGWU, NUM, PPWAWU, FAWU and SADWU -- did stick to supporting a National Minimum Wage. The last three said it should be higher than R700 a month.

But SACTWU and CWIU leaders argued against any minimum wage being set by law. SACCAWU and SAMWU leaders argued that there should be minimum wages set by law -- but a different figure for each sector. "There should not be a campaign for one national minimum wage."

The NUMSA representatives likewise opposed a national minimum wage "in the current economy". It would be "disastrous", they said, leading to job losses and very high inflation.

The Conference "did not reach any agreement on whether there should be a national minimum wage in the future (even under a changed economy)." The workers are left with no national lead on this vital issue.

"Forward to a COSATU wage policy!" says the *Campaign Bulletin* lamely. Forward to what policy? If the matter is left to the union officials, disunity and confusion will continue. It is up to the workers, who have a common interest in fighting for a National Minimum Wage, to impose their will on the union leaders.

In this *Congress Militant* special issue, we argue the case for a National Minimum Wage against the opposition raised by the SACTWU, NUMSA and other officials. We urge all workers to study the arguments, draw conclusions, and act.

If you agree, pass a resolution in your union branch, shop-stewards' committee or workplace meeting calling for a special COSATU Congress on this question and instructing your union and COSATU leaders to prepare a national strike for a National Minimum Wage of R200 for a 40-hour week. Move support for this also in ANC and ANCYL branches.

**S'khokhele COSATU!**

# Fight for a National Minimum Wage!

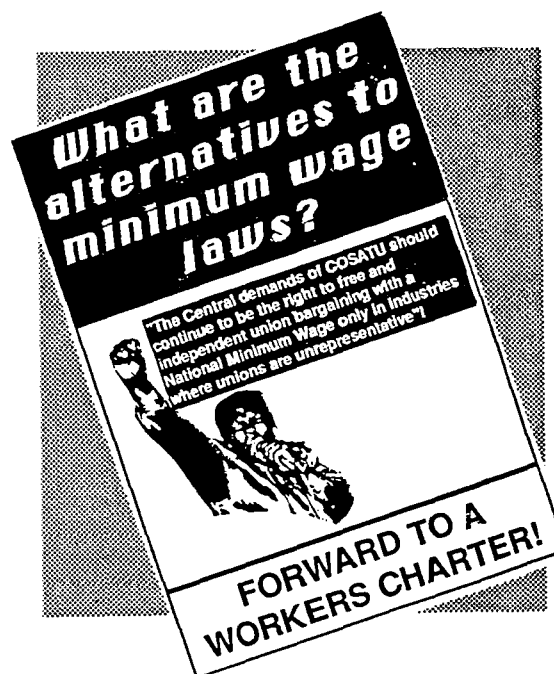
A National Minimum Wage would mean a law stating that no boss may pay a worker *less* than a certain amount. It would leave workers free to use their organised strength to fight and bargain for *higher* wages in every industry.

That would give advantages to every worker.

In the words of COSATU's *Campaign Bulletin* (No. 2, 1990), "A National Minimum Wage demand provides the basis for a wage solidarity campaign to raise the wages of the lowest-paid across all sectors of the economy and, in the process, to build working class unity."

Black workers in South Africa are among the most exploited in the world. Garment and textile workers are among the lowest-paid in any SA industry. All the more amazing, then, that officials of the SA Clothing and Textile

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← **Reject the arguments of the SACTWU officials in this pamphlet**

**Demand a law that no worker shall be paid less than R200 for a 40-hour week!**

# Starvation, slavery in the midst of wealth

Can anyone doubt the need for a law against starvation wages?

Two weeks ago the *Weekly Mail* exposed a slave trade in black children who are sold for R200 to farmers and township businessmen.

Yet there is no law to stop this because these desperate children don't have to be physically taken prisoner like slaves in the past. Their chains are chains of poverty. They are willing to work just for food.

A National Minimum Wage law would help end this capitalist slavery.

On the Zebediela citrus estate, workers have gone on strike this

month against wages of about R30 a week (net, plus housing). For this they work as much as 12 hours a day.

Reporting the strike, the *Guardian Weekly* (11/11/90) notes: "Zebediela is owned by the state and the trustee is President F.W. de Klerk -- the man currently engaged in an international campaign to assure the world of his administration's commitment to civilised and democratic standards."

We must demand a law banning such wages and conditions for all South Africa's workers.

It is not only the 1,3 million farm workers who need legal

protection against the employers, whether government or private capitalists. Even in some organised sectors, wages well below the headline are being paid.

The worst cases are in the bantustans. For example, in July this year clothing machinists in Isithebe earned R77,50 a week.

Today, 68 out of every 100 black families in SA live on less than R600 a month.

Labour -- mainly black labour -- has produced the wealth of this country. In little more than a century, on the basis of its rich mineral resources, SA has been developed into

an economic giant in Africa and an industrial power of secondary rank in the world.

But those who do the work have not received the fruits.

Generations of cheap black labour have piled up incredible riches in the capitalists' hands, while condemning tens of millions to poverty.

The relative privilege and comfort of the white workers and middle class is nothing compared with the wealth of the bosses.

Harry Oppenheimer, former head of the Anglo American Corporation, which controls nearly half the shares on the Stock Exchange, has accumulated a personal

fortune estimated at R3 400 000 000.

It would take a worker, earning R600 a month, 472 000 years without spending a cent to save that much.

In the middle of an economic recession, bosses are queuing up for the most extravagant cars. BMW boasts that it has sold 120 of its new model 850i in SA -- each for R495 000 before tax. Luxury flats at Clifton beach will soon be selling for R3 million.

Yet few black working people can afford the cost of basic housing. So millions crowd in shacks and slums, under zinc and plastic, while bricks pile up unsold and the brick-

making industry operates at only 73% of its present capacity.

Since 1989 the construction industry has retrenched at least 7 000 workers.

Two-thirds of the SA population are without electricity -- yet Eskom is closing down power stations for lack of "demand"! Many similar examples of the madness of capitalism could be added.

The demand for a National Minimum Wage, for a law banning starvation wages, is a vital element in the program of the working class to overcome poverty and fight exploitation under capitalism.

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Workers' Union (SACTWU) are now heading a campaign throughout COSATU to throw out the demand for a National Minimum Wage.

Their arguments are summarised in a pamphlet, "What are the alternatives to minimum wage laws?"

We will show that the alternative to a National Minimum Wage law will be continued poverty for the majority of black workers; continued stagnation of industry; continued mass unemployment, homelessness, hunger and crime.

We will show that the economic arguments of the SACTWU officials are false, and that their tactical arguments will weaken the unions and divide workers against each other instead of uniting them.

## What is their record?

Before we look at their arguments, let's look at their record.

When 180 000 garment and textile workers merged their unions last year to form SACTWU, they created one of the strongest forces in COSATU and a mighty weapon for unity in action against the bosses. But instead of mobilising and using this weapon to the full, SACTWU officials have tried to prevent militant workers from striking and opposed solidarity action.

Let's be fair. Both last year and this year, the wage rises negotiated on behalf of clothing workers have been above the rate of inflation. In percentage terms (about 20% and 19% respectively), they are at the top of the league of wage settlements.

But these increases were conceded after clothing workers flexed their muscles in what the bosses called "unprocedural industrial action". The marvellous strikes by garment workers in the Western Cape changed the relationship of forces throughout that region.

The wage increases negotiated appear far less impressive when it is realised how far clothing workers' wages have fallen behind other industries. In the period from 1972 to 1987 (from just before the Durban Strikes to two years after the launch of COSATU), the buying power of the average black worker's wage rose by:

- 250% in mining
- 104% in chemicals
- 106% in provincial govt.
- 83% in basic metals
- 19% in hotels
- 1% in clothing.

The average clothing worker's wage dropped from 94% of the average manufacturing wage at the start of that period, to only 63% by the end of it.

That was the 'benefit' provided by the old tame

and compromising union leadership in the clothing industry -- the very thing which the new GAWU and after that the merger into SACTWU were intended to overcome.

In 1991 clothing workers will still earn much less than other manufacturing workers.

From next month, machinists, the majority of clothing workers, will receive R184,50 a week in the Western Cape (about R155 after deductions). What family can live on that?

It may be that many garment workers are presently pleased with the increase -- but how pleased will they be as the petrol price rise, bread price rise and general inflation eats it up?

Would the workers have accepted this settlement if their union leaders had mounted a unified campaign of garment workers nationally, and sought wider solidarity for an industry-wide strike to win the original, very modest demand of R45 across-the-board?

In Natal, in October, striking clothing workers were furious with SACTWU officials for lowering their R50 demand to R30. At a rally at Curries Fountain, *The New African* (15/10/90) reports, SACTWU organisers "were shouted down by angry workers who claimed they had been 'betrayed'".

"...On Wednesday a shopstewards meeting at Bolton Hall saw similar conflict as organisers tried to convince workers from other factories not to join in the strike by Da Vinci and SA Clothing."

## Textile dispute

Textile workers' wages are also low -- e.g. R4,60 an hour, or under R200 a week for 43 hours' work. This year many factories have worked short-time, reducing the hours worked in textiles by 20-30% in the first half of the year.

In the current wage dispute, where the demand is for a R45 increase, the bosses' offer has been R27,30 (R28,50 for those working a 45-hour week). The workers' attitude is that R40 is their 'bottom line'.

SACTWU organisers are urging workers to be 'reasonable' and settle. They are openly ruling out the possibility of action, placing the workers in greater and greater tactical difficulty as the holidays approach. Nor do they have any strategy for a strike after the holidays are over.

Comrades report that discontent with the organisers is widespread among textile workers in all parts of the country. Not for the first time, *Congress Militant* supporters in textile factories are having to work hard to persuade some of their fellow workers not to make the mistake of leaving the union.

The problem of leadership must be solved by the workers staying together in the union and

correcting, or if necessary changing, the leadership.

In contrast, the greatest sympathy for the SACTWU officials is shown by the industry bosses! Johan Baard, chief negotiator for the Cape Clothing (and Knitting) Manufacturers' Association, told *South* (11/10/90) of the increasing competition from cheap clothing imports, and thus the bosses' need to keep wages down. He added: "The difficulty is that as the situation worsens, the trade union's leadership finds it difficult to moderate the aspirations and expectations of its membership."

A trade union leadership struggling... to moderate the aspirations and expectations of the workers! In this revealing statement, the essence of the problem stands out.

The union officials appear to have misunderstood their task. It is not to reconcile the workers' demands with the bosses' interests -- with the demands of the profit system. That is in any case impossible. Their task is to conduct an irreconcilable struggle for the product of the workers' labour.

In this struggle, certainly, flexible tactics are needed. "Strike" cannot be the only word in the unions' vocabulary. But the aim of tactics must be to mobilise and direct the workers' strength in the most effective way. The only limits should be the limits of the workers' organised strength, tested against the strength of their enemy.

To conduct a really militant, really effective struggle for reforms and improvements within the framework of capitalism itself, it is necessary to be willing to go beyond that framework. It is necessary to have a different economic system altogether in mind as the goal. Namely, socialism.

If the "limits" of capitalism are accepted as unbreakable, the struggle against exploitation is crippled from the start. Every scarecrow put up by the bosses becomes intimidating, tends to confuse and divide the workers, and so weakens the fight.

It is necessary to be prepared to replace capitalism with democratic socialism, so the working class and not the capitalist class will rule -- deciding what to produce, how to produce it and distribute it, what wages will be paid, what investments will be made from the surplus, and how the economy will be developed to meet the needs of society as a whole.

**We shall see, as we study the SACTWU officials' arguments against a National Minimum Wage, that their mistakes on this question are bound up with their general unwillingness to lead a fight.**

**They have adopted, not a socialist standpoint, but the bosses' economic outlook instead.**

# Their arguments and Our replies

The SACTWU officials' pamphlet, "What are the alternatives to minimum wage laws?", presents its arguments, not of course as arguments for the bosses, but as arguments in the best interests of the workers.

"Minimum wage laws undermine unions!" says the pamphlet. Why?

Firstly, because "it allows employers to resist collective bargaining until they are clear what the minimum wage is." That is simply not true!

The question of a minimum wage is not something that can be left to government committees to work out in secret. Anyway, it will have to be fought for.

If the whole workers' movement fights together for a specific National Minimum Wage, for example R200 for a 40-hour week, it will be "clear" to everyone involved in collective bargaining for higher wages in different industries that their negotiations should involve a higher figure.

Then, says the pamphlet, "it allows them [employers] to rely on the minimum wage as a basis of resisting wage claims other than those in line with that minimum wage. Wrong again! It will "allow" them to do this only if the union leaders and the workers allow them.

Even for the lowest-paid, a National Minimum Wage should not be considered the final goal, but a stepping stone towards a full living wage. It is the task of the union officials to explain that.

The SACTWU officials' pamphlet says that a National Minimum Wage "stops higher paid workers earning more." Why should it stop them fighting for and winning more?

Here is the only reason offered by the pamphlet: "Workers at SA Breweries, in motor assembly plants or in some chemical plants where wages are already much higher, would find their employers always mentioning how much higher they are paid than what the government has decided. None of these workers would benefit from a minimum wage that was to apply to all workers."

Do the SACTWU officials imagine that the Breweries, motor and chemical workers, who have won these higher wages, have become stupid? They will know that a National Minimum Wage sets the floor, not the ceiling, for wages.

Is it imagined, in the course of a real national fight of a united working class for a National Minimum Wage, that workers will fail to use the opportunity to test their own power against their own bosses and win still higher concessions for themselves if they can?

The monthly minimum paid at SA Breweries, for example is now R1 238. If a National Minimum Wage of R200 a week or R860 a month could be won for the lowest-paid worker in the country, would the Brewery workers fail to push forward a struggle for R1 500 or more -- which is the least a family needs for a decent life?

Unlike some union officials, militant workers are not in the habit of giving in just because the employers are "always mentioning" something.

Don't these employers always "mention" to their workers, even now, how much more they are getting than other workers? And does that deter these workers from claiming and winning still more?

Don't the SACTWU officials, when arguing with the clothing and textile bosses, "always mention" how much less these bosses pay than the Breweries, motor and chemical bosses? But does that soften

their hearts of stone?

The question is not what either side "mentions", but what either side can enforce.

There is no way in which the existence of a National Minimum Wage law would weaken the actual strength of workers to fight and bargain for a higher wage in any grade or section of any industry.

It is up to the organised workers to resist bosses' fraudulent arguments of the above type. Instead of exposing the fraud, the SACTWU officials' reasoning supports the bosses, presenting their likely excuses as if they were unanswerable!

## Promoting division instead of solidarity

The officials' statement that "None of these [higher paid] workers would benefit from a minimum wage" is false, and promotes division within the working class instead of solidarity.

If a worker says, "I am already earning R1 000 a month. Why should I be interested in fighting for a National Minimum Wage which will be less than that?" -- how should we answer?

By pointing to the 6 million unemployed in SA whom capitalism condemns to rot; by pointing to the job-seekers crowding at the factory gate; the 'casuals' sitting by the roadside, desperate to do anything for a few rands.

We must point to the way in which employers brutally use competition among many workers for few jobs so as to force down wage levels generally whenever they can.

Not only unskilled workers, but also the more skilled workers remain insecure under capitalism. As science and production advance, new machinery is constantly introduced which can take the place of many skills. Because of the profit system, the affected workers can then be placed under pressure to accept wage cuts or face redundancy. Under capitalism, the necessary progress of technology is turned into a threat.

We have only to ask the worker in our example: "What would it take your employer to train someone else to replace you at a lower wage?" -- and the advantage of a National Minimum Wage becomes clear.

The more the real wages of the lower-paid are raised, the more this shores up the position of the higher-paid. The existence of a safety net below provides an element of security also to those higher up.

To every worker, we can show the need for legal limits to exploitation, alongside trade union strength, so as to protect them at least partially against competition, and to prevent constant undercutting of the position of the lowest paid.

Every worker would benefit, directly and indirectly, from the winning of a National Minimum Wage.

Then, the SACTWU officials put forward the case of Zimbabwe in their attempt to prove that minimum wage laws are harmful to workers. In Zimbabwe, says the pamphlet, "They have minimum wages which go up less than the rate of inflation."

Here the SACTWU officials reveal again what is wrong with their whole approach. The reason for



Curries Fountain in October. SACTWU clothing workers shout down their union organisers. [Picture: New African]

wages falling behind the cost of living in Zimbabwe is not the existence of a "minimum wage", but the fact that the unions don't fight -- either against the bosses or against the government. That little detail is not mentioned!

In contrast with South Africa, the unions in Zimbabwe played no role in the struggle against white minority rule. Most union officials before independence supported the collaborator Muzorewa. They were hand-in-glove with Smith and with the employers.

When ZANU(PF) won power ten years ago, union leaders either switched to the ruling party or were replaced by government loyalists. Although the Mugabe government claims to be "socialist", capitalists have continued to rule the economy and the government defends the capitalist system.

Most unions in Zimbabwe have remained empty shells, dominated by well-paid bureaucrats, with hardly any participation by the workers. The state acts ruthlessly against strikers.

Now, with the growth of mass working-class discontent against the government, some union leaders have moved cautiously into opposition -- and got into trouble as a result. But the workers themselves will have to move into the unions *en masse* and take them under democratic control, if they are to play their role as independent organs of class struggle.

Union bureaucrats in Zimbabwe use the existence of "the government's minimum wage" as the pitiful excuse for their own failure to lead a wage struggle. Instead of criticising this, the SACTWU officials endorse the excuse, turning it into an argument against a minimum wage!

Mugabe's concession of a "minimum wage" certainly was, from his government's standpoint, a device to delay and hold back the movement of the workers against the capitalists. Systematically, the minimum wage has since been held down below price rises.

But these facts in no way refute the need for a National Minimum Wage law. They show the need for an all-out struggle, for a higher minimum wage and for higher wages generally. And they show something more:

Our demand for a National Minimum Wage of R200 for a 40-hour week must be coupled with the demand for automatic future increases in the National Minimum Wage in line with price rises. With that provision in the law, the bosses and the government could not undermine the minimum wage through inflation.

The fighting tradition of the SA working class is surely the basis for ensuring that the workers' problems in Zimbabwe are not repeated here. And in time the Zimbabwean workers will establish their own fighting tradition to deal with those problems too.

Next page:

The economic argument

# Economic disaster?



The first part of the SACTWU officials' argument was designed to show that a National Minimum Wage would have the general effect of "undermining unions" and keeping workers' wages low. We refuted that.

Now, in turning to the second part of their argument, we discover that their real concern is that a National Minimum Wage would have the effect of raising wages too high.

Minimum wage laws, say the SACTWU officials, "undermine job security for lower paid workers". If a National Minimum Wage was introduced, many employers would "go bankrupt immediately" causing "huge retrenchments".

Here is the crux of their case.

The uncertainty of many workers is summed up in the answers of a 48-year old garment worker, interviewed by *Congress Militant*. She thinks a National Minimum Wage of R200 for a 40-hour week is "a very good idea."

SACTWU officials argue a National Minimum Wage is unrealistic, we said. What do you think?

"You see, they don't know what is going for what," she replied. "I am thinking of what breadwinners need. Look, bread is up, petrol is up, the Argus is up. We won't be able to keep up."

But the officials argue that some bosses will close down their factories if there is a National Minimum Wage. What do you think?

"That's true, hey. I'm working at a Cut Make and Trim factory, and our boss says he will close down our factory and other factories will be closed also," she replied.

Not only the demand for a National Minimum Wage, but any demand for substantially higher wages brings workers to this predicament. Is there no answer to the bosses' argument, and threat?

The SACTWU officials simply echo the bosses' case. "The main reason [they say, for opposing a National Minimum Wage] ... is one of economics."

NUMSA leaders also believe a National Minimum Wage would be "disastrous" in the "current economy". But is this true?

The South African capitalist economy developed originally on the basis of cheap labour in mining and agriculture. Migrant labour, racial oppression, plus the availability of relatively cheap food, kept labour costs (wages) down in mining.

Low wages in mining, and the fact that the products of the mines were (as today) mainly sold overseas, meant that the capitalists could pocket enormous profits with relative ease. They could then turn to investing part of these profits in other industries, to enrich themselves still more.

But when it came to the development of manufacturing industry, the weakness of the local consumer market has hampered development.

With cheap labour, a manufacturing capitalist may indeed find at the end of the day that the value produced by the workers in his factory far exceeds the value which he returns to them as wages. He has exploited them to the utmost -- he is a happy man!

But the smile is wiped off his face when he takes the goods to market. Cheap labour, low wages paid to workers generally, means that the workers as a whole don't have money to buy most of the goods they produce. The surplus extracted by the capitalist from the workers' labour cannot be realised as profit without selling the goods.

And without buyers for extra products, what capitalist will invest in expanding production?

The take-off of SA manufacturing industry would not have occurred without the relatively high wages paid to white workers -- and the growing size and affluence of the white middle class.

Higher wage levels were reluctantly conceded to the white workers by the capitalists and the government to buy their loyalty against the blacks. The main drive of the capitalists here has been to enrich themselves without limit through the exploitation of black labour.

But economic expansion on the basis of white consumer spending has more or less reached its limits. The limited buying-power of the black masses is now a severe barrier to economic growth.

SA manufacturing is in a *cul de sac*, and not just because of the present economic recession. Investment over the 1980s has been virtually flat. The clothing and textiles industries provide some of the clearest examples of this.

The Board of Trade and Industry (BTI), in its report on the textile industry, says that one of the reasons for the "underconsumption" of textiles in SA has been "the low disposable incomes of most of the population."

The clothing and textiles industries are stagnating while children go barefoot and in rags, while millions need clothes, shoes, blankets, curtains, linen. These millions have not the means to buy what they need. The low wages plus mass unemployment created by capitalism are the basic cause.

There has been virtually no new investment in the textile industry since 1985. Less textiles are produced now than in 1980. Total employment in textiles dropped from 110 900 workers in 1980 to 97 100 in 1989.

Enduring low wages has brought no reward of 'job security' for the workers, contrary to what the SACTWU officials imply.

On the other hand, the recession in SA would already be a lot worse if it were not for the increase in the past period in black workers' buying-power.

*Business Times* reported (11/11/90): "Large pay increases won by trade unions last year -- and the fillip to disposable income provided by rent boycotts -- have underpinned sales of food, clothing and furniture. But the rest of the economy is in steep decline."

In their *Overview of the Clothing and Textile Industry* (August 1990), Max Pollock and Freemantle say: "We believe that the relatively strong earnings growth [for the clothing bosses] during the second half of the 1980s can be attributed to the increased spending power of the black community. The sharp rerating of semi- and unskilled workers' wages has

## "Slightly" pathetic?

Do the SACTWU officials, with their rejection of a National Minimum Wage, offer to the workers any alternative to the present low-wage system?

In their pamphlet they warn: "If the post-apartheid government wanted to set a minimum wage for the country, it would have to think what the consequences of different figures would be."

"For example," they continue, "let us take a figure of R150 per week and examine its consequences."

R150 per week means R645 per month. It is below the figure of R700 originally suggested as the minimum wage by COSATU's Living Wage Committee; it is well below the R200 for a 40-hour week, or R860 a month, which we propose. It is less than half of what could be considered a living wage. It is hardly even a breadline figure.

Yet for the SACTWU officials it is much too high to be set as the minimum below which no wage may fall!

Here is what they say: "This figure of R150 per week is several times higher than wages in Isithebe or Babelegi."

"Accordingly, the probability is that employers in these areas would go bankrupt immediately."

"Worse still, people who are employed on farms, in the domestic sector and especially in the mines would immediately face huge retrenchments."

Conclusion? Don't try to force the mine bosses, the farmers, or the employers in the bantustans to pay even a breadline wage!

Of course the SACTWU officials keep reassuring everyone of their deep concern for the plight of the low-paid.

In their memorandum to COSATU of 24/6/90, in

which they elaborate their arguments against a National Minimum Wage, they say: "We all agree that something must be done about the starvation wages that most bosses pay South African workers."

Yet, apparently, a minimum of R150 is "several times higher" than millions of workers should dare to demand!

One is tempted to agree with the worker at Table Bay Spinners who said of the SACTWU officials: "Hulle kry vermeer as wat werkers kry, en dit is hoekom hulle so argumenteer."

What is the 'realistic' level for wage demands, in the opinion of the SACTWU officials?

They say that, by agreement between bosses and unions, there should be minimum wages fixed at a different level in each organised sector, and at different levels according to regions. In each

case the level should be "slightly higher than the current average minimum wage that is paid in their sector."

"Slightly higher"! Slightly higher than the R77,50 a week paid to clothing machinists in Isithebe? Slightly higher than the R30 or thereabouts paid to Zebedelia citrus workers?

Our SACTWU officials, are careful not to mention what "slightly higher" minimum wage levels they have in mind for mine workers, farm workers and workers in the bantustans. If they did blurt it out, they might find themselves "shouted down" slightly rudely, in the manner of Curries Fountain -- and by slightly more workers.

We wish we could find something to agree with in the pamphlet of the SACTWU officials. But they pile blunder upon blunder.

They are against a definite legal minimum wage -- but in favour of a law "that would compel all employers from within a particular industrial sector to set a floor to wages for all the workers who work within that sector". This is in their memorandum to COSATU.

What a muddle. Let's leave aside the little slip about employers "setting" the wage floor. How, in practice, would the floor be determined in each sector? Surely by a constant test of strength between the workers and the employers -- by class struggle. If the law does not fix a definite minimum wage figure, then how does it help the workers to win the figure they need?

We demand a law that establishes a floor to wages at R200 for a 40-hour week, so that the class struggle over wages continues as a struggle over higher

wages than that. That would be a law that really helps workers, rather than a deception, a hollow pretence at progress.

The "collective bargaining" which the SACTWU officials offer as the alternative to a Minimum Wage law, is for them a process of bureaucratic dialogue with the capitalists, in which full "account" is taken of "cost structures and other features" of the capitalists' present position. Clearly, they want no struggle mounted to overturn the present system or even shake it up!

As we have seen from the practice of these officials, their idea of collective bargaining is to 'bargain' without a determined mass struggle to back up the demands.

It is their approach which really undermines collective bargaining and renders it toothless.

contributed to the increased spending from this sector."

Yet capitalist propaganda is directed against wage increases. Why?

Capitalists can't voluntarily grant higher wages in order to expand the market -- because they are in a competitive struggle to make maximum profits immediately. Each rather tries to take over the others' existing market by driving down his own production costs. Firstly, this is done directly at the expense of the workers -- through pressure for faster work, longer hours, shorter breaks, and generally more output for the same or a lesser real wage.

The boss may not be lying outright when he makes threats of closure -- for if his competitive position falls and stays lower than others, he would eventually go out of business. But he is at best telling only half the story.

The cost of the labour which goes into each unit of goods produced now depends far less on wage levels than on the level of technique (machinery etc.) used, and the scale of production.

To cut labour costs, the capitalists always look for ways of replacing labour with machinery. New and better machinery represents necessary progress for society. But the tendency under capitalism is for this to add to unemployment, in the end further squeezing the market for every capitalist's goods.

When, despite the bosses' threats, workers force higher real wages to be paid generally, or when for instance the government is compelled to make a reform which raises the buying power of the masses, then the profit system can potentially adapt to that.

In fact, profits may even increase!

Immediately, higher wages will increase the share of the existing product which goes to the workers and will thus lower the share which goes to the capitalists -- that is, lower the rate of profit.

But the expansion of the market caused by the higher wages may just as well, after a while, have the effect of enabling a general expansion of production to take place.

With more goods produced and sold, with cheaper products resulting from production on a bigger scale, with more investment and more workers taken on to meet demand -- the capitalists' mass of profits may expand. All this as the eventual consequence of a general wage rise! Thus, for the capitalists, 'good' may come out of 'evil'. And for the workers, from higher wages may come more jobs.

Whether this occurs or not is dependent on a range of factors. The point is, wage rises do not by any means necessarily result in job losses overall.

And conversely: Low wages are not a basis for economic development.

## Imports, exports and new technology

The competitive struggle between the capitalists also includes competition against imports, and for export markets.

"An across-the-board national minimum wage," say the SACTWU officials, "will mean that some industries might have to raise the price of the goods produced in order to stay in business. This will in turn make South African goods more expensive compared to those of other countries."

An exact copy of the bosses' argument! -- If wages rise, cheaper imports will take the place of SA goods in the local market, and SA goods will not sell in the world market. So jobs will go.

We know why capitalists say this to workers -- they are exploiters trying to get the workers to work more for less. But don't the SACTWU officials even bother to study what the bosses say to each other?

David T. Shirey, a US clothing industry expert, addressed the SA bosses at their Clothing Industry Convention on 20 November 1989. He said: "Your labour costs ... indicate that you should be one of the major exporters of apparel products in the world today... Yet since 1982, in each year except 1986, South Africa was a net importer of apparel."

He quoted from their own 1988 Yearbook to show that clothing labour costs were 20 (US) cents per minute in the USA; 10 cents in Hong Kong, Taiwan and Thailand; 5 cents in South African cities; and 1 cent in the bantustans.

Thus wages could double in the cities, and increase 10 times in the bantustans, before even matching labour costs in the Far East!

Shirey is no friend of the workers. He didn't propose higher wages, he urged the SA clothing bosses to exploit cheap labour to the full. But he told them that low wages cannot be the basis for competing with advanced technology.

"Increasingly," said Shirey, "this new global market [for clothing] will not be primarily labour cost sensitive, but rather manufacturing technology sensitive."

This is even more the case in textiles. *Textile World* (August 1990) says that the 'next generation' of textile plants will not just be today's operations modernised. "Plants with new technology will have competitive power that includes... labour content reductions of 70-80%."

"When a manufacturing system by itself can detect what's happening (monitors), understand the meaning of what's happening (diagnostic information), reach an appropriate decision (expert systems) and take self-action (automation), then the textile plant has entered into machine-intelligent manufacturing. And that is the foundation of the next generation textile plant."

Advanced machinery, meaning much more output from each worker, reduces unit labour costs so that wage levels become entirely secondary in capitalist competition.

Regardless of wage levels, the capitalists shed as much labour as they can. Low wages do not 'secure' jobs.

In Europe, despite successes in textile exports, 300 000 jobs were lost in textiles between 1980 and 1987. This accompanied massive investment in labour-saving machinery. High-wage Germany exported \$10.5 billion worth of textiles in 1988 -- more than double the exports from South Korea and Taiwan. Low-wage Portugal has nonetheless lost 39 000 textile jobs between 1981 and 1989.

The fact is, SA's most successful manufacturing exports do not come from the low-wage sectors.

The SACTWU officials are extremely foolish to propose continued low wages as the way to meet world competition. That is a sure recipe for disaster.

*Finance Week* (11/10/90) describes the SA textile industry as "labour intensive" (technologically backward) and thus "notoriously vulnerable to imported competition." The SACTWU officials agree "that South African bosses have not invested in new technology which makes production more efficient."

Yet one of their arguments against a National Minimum Wage is that higher wages could cause some capitalists to "open businesses which use more machinery than labour merely in order to avoid paying higher wage bills." (Memorandum to COSATU.)

Only a dinosaur could imagine that the SA economy can go ahead without advanced technique.

Any bourgeois economist could have told them that nowadays labour costs are marginal to the choice by capitalists of productive techniques. The prevailing level of world technology sets the standard which everyone must reach or eventually go under.

Griffiths and Jones, in their *SA Labour Economics* (p266), pointed out ten years ago that "even in agriculture mechanisation is proceeding, so that sooner or later wages will also be a marginal planning factor in this industry." Low wages will give no real 'security' even to farm workers' jobs.

SA came late on the world scene as a manufacturing power, when huge multi-nationals already dominated world markets.

Partly because of cheap labour and a restricted local market, SA capitalists have not taken advantage of protective quotas and tariffs against imports, at least over the past decade or so, to really develop and modernise industries like textiles. They have lagged further behind the advanced countries. Yet to expose SA industries to the full force of world capitalist competition would certainly mean wiping out hundreds of thousands of jobs.

What, then, is the answer? South Africa cannot now on a capitalist basis catch up with the most advanced economies, with their level of development of skill, with the enormous scale of their automated production for markets of hundreds of millions.

The capitalists claim that, if workers accept low wages and allow profits to rise, this will place them in a position to invest more and "create jobs". But this is the opposite of what they have done.

Arnold Werbeloff (*Textiles in Africa, a Trade and Investment Guide*, 1987) says that in 1985/6 South Africa had a lower textile wage rate than Nigeria, Ivory Coast and Tunisia (in dollar terms). Its textile wages were one-tenth of Belgium's and one-ninth of

[continued on back page]

# DOMESTIC WORKERS' WAGES

In those sectors of the economy which "seem to remain unorganised", say the SACTWU officials, "the state should determine the minimum wages that can be paid to a worker."

What an incredible thing for union leaders to argue: that the state -- a bosses' state -- should "determine" workers' wages at all.

Our approach has always been quite different: that the workers should compel the bosses' state to pass a law fixing a National Minimum Wage at the level which workers' demand it should be.

The SACTWU officials add insult to injury when they say that they have domestic service in mind as a sector which will inevitably "remain unorganised" and where the state should "determine" the minimum wage. They say "the union is unrepresentative" and that workers in this sector "cannot bargain with employers".

Meanwhile SADWU, claiming 70 000 signed-up members, has a clear set of demands, including a minimum wage of R450 a month for domestic workers. SADWU also supports a National Minimum Wage.

The case of domestic workers is indeed a special case, with special problems, when it comes to the application of a National Minimum Wage.

Madams in Sandton and Constantia would shout and scream over having to pay "the maid" R200 for a 40-hour week -- but would probably pay up rather than do without her. However there is no doubt that a great many domestic workers employed in less well-off families would lose their jobs. Even SADWU's demand of R450 a month would have this effect if enforced.

When workers in productive employment in the profit-economy are threatened with job losses if their wages rise -- then the movement can answer with socialist policies to guarantee their jobs and a living wage in a transformed economy.

Moreover, the capitalists may adapt themselves to the higher wage levels, to continue employing workers who generate profits for them.

It is different with domestic labour, which is not essential to the profit system -- and which would progressively disappear in the transition to socialism.

Domestic service is a relic of slave, feudal and colonial oppression. It involves not a simple economic relationship of exploitation, but a slave-like status as well. In the advanced capitalist countries, domestic workers are employed almost exclusively by the very rich.

In a transformed South Africa real productive jobs would be created for those now doing domestic work. Personal help for children, the disabled and the aged would continue, and indeed increase in an expanded social welfare system. But domestic slavery would wither away, under conditions of economic progress and social equality.

## Proposal

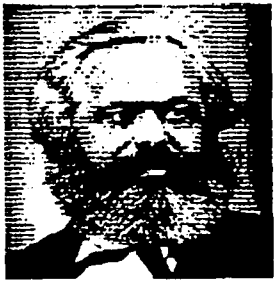
Domestic workers need minimum wage protection by law. They need to be united with the industrial workers and all other workers in fighting for this. If, however, we simply apply to domestic service the demand for R200 for a 40-hour week, many domestic workers would oppose or fail to join the campaign out of justifiable fear for their jobs.

We propose, as a solution to this problem, that the demand in the case of domestic workers should be for a legal minimum wage of R5 an hour. That is in line with the general demand, but worked out on an hourly basis.

Domestic workers would thus either gain a big wage increase for their present work, or be able to receive their present wage for fewer hours' work. In the latter event, they would be freed to take additional jobs or else use the extra time for recreation and to spend with their families.

Solidarity between all workers in the campaign for a National Minimum Wage on a common demand could thus be built and maintained.

We can note that the SACTWU officials' approach would cut domestic workers off from the strength of the industrial workers when it comes to fighting for a minimum wage -- relying on "the state" to "determine" their wages.



## What Karl Marx said about legal protection for workers

In his famous work, *Capital*, Marx laid bare the economic forces which drive capitalists to exploit workers without limit in their competition for maximum profits.

He showed how workers on their own, threatened with unemployment, competing with each other for jobs, are made to submit to low wages, long hours, and unsafe conditions at work.

Only through building united workers' organisations, overthrowing capitalism and advancing to socialism, could exploitation be ended.

At the same time Marx recognised the need for legal protection of workers, for legal limits to exploitation, so long as capitalism continued.

In Chapter 8 of *Capital* he wrote:

"...the creature sucking his [the worker's] blood will not loose its hold 'so long as there is a muscle, a nerve, a drop of blood to be exploited.' For protection against the worm gnawing at their vitals, the workers must put their heads together, and must as a class compel the passing of a law, the erection of an all-powerful social barrier, which will forbid even the workers themselves from entering into a free contract with capital when by the terms of that contract they and their race are condemned to death or sold into slavery."

It is for this reason that we need a National Minimum Wage law.



## What Leon Trotsky said about minimum wages

Trotsky wrote in the 1930s that the question of a minimum wage meeting workers' most basic needs "is not one of a 'normal' collision between opposing material interests. The question is one of guarding the proletariat from decay, demoralisation and ruin. The question is one of life or death of the only progressive class, and by that token of the future of mankind."

But what if capitalism cannot 'afford' such a minimum wage?

"If capitalism is incapable of satisfying the demands inevitably arising from the calamities generated by itself, then let it perish," wrote Trotsky.

COSATU's *Campaign Bulletin* (No. 2, 1990) took up a similar standpoint:

"We need a National Minimum Wage to survive; we need a Living Wage to climb out of poverty. The unions must challenge the bosses to provide these, but if their economic system cannot do so, we must be ready to bring in our own economic system! ...workers must get political power to see that there is legislation to protect the low-paid."

**Forward to a National Minimum Wage of R200 for a 40-hour week!**

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wages in Germany and the USA -- where a textile worker now earns about \$330 (or R830) a week.

There is, says the President of the Textile Federation of SA (*Textile Topics*, September 1990), "a huge international market with a norm of over supply conditions." (Over-supply relative to the buying-power in the capitalist market, not relative to human needs.) The same applies in clothing and, to one or other degree, in all manufacturing sectors.

In the 1980s, the capitalists in Hong Kong, Taiwan and South Korea were able massively to boost exports of clothing and textile exports. This was not thanks to cheap labour, but mainly as a result of massive investment in technology (with the help of the state) and a long, uninterrupted expansion in world trade.

As the boom of the 1980s turns into recession in the world's biggest economy, the United States -- as, indeed, a world-wide recession looms closer -- pressures for protectionism are rising everywhere.

The 'Uruguay' round of world 'free trade' talks is admitted by the GATT director to be "in a state of crisis". It is naïve to imagine that there's a way out of SA capitalism's economic difficulties by holding down the consuming power of the SA workers and by relying instead on manufacturing exports.

As Marx explained, neither protectionism nor free trade, but *socialist policies*, provides the only solution. That is the answer for South Africa and for the world.

Not the system of bureaucratic dictatorship and command -- the system of Stalinism now collapsing in the Soviet Union and Eastern Europe. What we need is democratic socialism -- based on workers' power. And we need to bring that about internationally if our problems are finally to be solved.

World socialism would mean that the marvels of science and technology, plus the energies and skills of all the working people, could be applied to the upliftment of all humanity.

Faced with the crisis generated by their system of exploitation, capitalists in every country demand of their workers further sacrifices, lower real wages, so that they may "compete".

We must reply: How will it help if wage levels are held down everywhere? It will only further cut the market and deepen the crisis.

Yet everywhere reformist trade union leaders echo the arguments of the bosses. Fearing to overthrow capitalism, they instead throw workers into competition against each other internationally, as if to see who can labour hardest for least!

There are about 400 million organised workers in the world. What a force to *change society*, if we marched together under a clear revolutionary leadership!

This month, the Frame Group in South Africa decided to close three more textile plants, with another 2 000 job losses. In one case the cause was the cancellation of an export order for blankets -- yet this factory could be making blankets to satisfy local needs. But that is of no importance to capitalism.

When the capitalists find the avenues for profitable expansion of production are limited -- they 'invest' their profits in property speculation, gamble on the stock-market, take over other companies and send money abroad.

The days when capitalism was a progressive force, and the capitalist class a progressive class, are long since past. Now they develop the economy only at the expense of accompanying social decay.

When workers' wages rise, instead of expanding

production as they could, the big monopolies use their power to claw back the increase by simply raising prices.

Bosses say that "wage increases cause inflation". They lie. They are always raising prices, and for workers it's a battle to keep up. Higher wages restore to the workers part of the value of their labour taken from them as profits. It is to maintain or raise profits that the bosses then raise prices. If the bosses expanded production, costs could actually fall.

Yet reformists echo the bosses in arguing that wage increases "cause" inflation! Was this really one of the arguments used by NUMSA leaders at COSATU's September conference, when they opposed a National Minimum Wage now?

To the garment worker at Cut Make and Trim, and to many thousands like her worried by a boss's threat of closure, we must answer clearly:

*He says he cannot 'afford' to pay higher wages. Demand that his books be opened, to check the real state of his business, including his spending on himself.*

*If you do find that the business is in danger of bankruptcy, then that is not a reason to submit. It is a reason to fight together as workers for a change of the system, so that the factory may be taken over by the state, under workers' control and management, merged with others, and assisted with new investment and other necessary support by a democratic workers' government.*

*You may feel that this is a lot to fight for now. You may hope for an easier way to 'save' your job. But, as we have explained above, your low wages and the low wages of the black working class generally represents in the longer run a still greater threat to your job.*

*Competition will drive your boss to automate production anyway, despite your low wages. You will be pressurised to accept short-time, lay-offs, casual jobs, then sudden bursts of overtime and overwork. Even more than now, you will be turned into a slave of the machine.*

*And as the reward for low wages in SA, one day the boss will come to you and say: "There is no market for our clothes. Your job no longer exists."*

*Or because there is no National Minimum Wage, he may come to you and say: "Either accept a wage closer to those paid in the bantustans, or I will close here and move my factory there."*

**So join in fighting for a National Minimum Wage!**

A National Minimum Wage of R200 for a 40-hour week is not a Living Wage. But it is a demand which the lowest-paid workers would see as a realistic step towards a Living Wage. Reformists' and bosses' arguments would be impotent against it.

It could inspire and mobilise millions. It could draw ordinary Inkatha supporters to the side of Congress. It could unite NACTU workers with COSATU workers. It could help us build the ANC as a revolutionary party of the working class, to carry out our demands when in power.

It is a key part of a transitional programme which could win big improvements within capitalism, and also put the working class in a stronger position to defeat the resistance and sabotage of the capitalists, and open the way towards socialism.

- \* Workers unite and fight for a National Minimum Wage of R200 for a 40-hour week!
- \* Automatic future increases as prices rise!
- \* No job losses! Work-sharing without loss of pay!
- \* Jobs to be provided for all, or else unemployment benefit equal to the Minimum Wage!
- \* Pensions no less than the Minimum Wage!

# Textile workers back National Minimum Wage

## Two textile workers at Table Bay Spinners spoke to Congress Militant

### Kobus Adams:

I support the demand for a National Minimum Wage of R200 for 40 hours a week. It can benefit the lower paid workers like us a lot if one take the cost of living.

This won't stop the highly paid workers from demanding more.

The prices are going up every month. We will lift our standard of living by fighting for a National Minimum Wage.

The union officials have made a mistake by opposing this call and their arguments are not accepted to us workers.

The workers must be determined to fight for the National Minimum Wage by means of strike if the

bosses and the government do not want to give it to us.

The bosses always threaten workers with closing the factory when the workers demand increase.

The bosses must be prepared to open their books to the workers for a proof that they can not afford an increase.

In this case we will fight for a workers' government that will take over and subsidise the

necessary but small factories, joining them together if necessary.

This minimum wage won't just happen without the willingness of the workers to fight.

It is the task of COSATU to mobilise and organise all the workers.

### Veronica Peters:

Ek is 26 jaar oud met een seun. Ek werk 8 jaar

by TBS.

Ek werk drie skofte -- twee van 40-uur and een van 45-uur.

Ek verdien R4,74 per uur. My weeklikse salaris is R205 -- met aftrekkings is dit R189. Die geld wat ek huiswaarts neem beteken nie veel nie.

Ek sê hulle kan ons R240 gee op ons 40-uur week, sonder shift allowance en service bonus.

'n Wet vir 'n Minimum Wage sal 'n goeie idee

wees, want dan weet jy dat die base nie minder kan betaal nie.

Die SACTWU leaders wil nie hê ons moet veg vir 'n Minimum Wage nie.

As die fabrieksbaas sê hy gaan die fabriek toemaak as hy vir ons 'n hoër loon moet betaal, wat sal ons sê?

Ons sal vir hom sê hoekom gee hy nie sy fabriek vir die staat nie? Die base kan kom werk soos ons as gewone werkers.