

## WAGE RESTRAINT.

At its conference in Cape-Town, TUCSA pledged its support for the Government's programme to combat inflation. According to this programme (which was signed and published a week or so after the Conference), employers agree that they will absorb 30% of all cost increases, and skilled labour has agreed to absorb 30% of all price increases. What does all this mean?

Inflation is rife through most of the world. Workers may not understand how inflation comes about, but they can certainly feel how it pinches. By inflation we mean a time of rapidly increasing prices. The production of farms and factories in capitalist countries is increasing, but prices are increasing even faster. Inflation is dangerous as far as the employers are concerned. It affects their profits, and it causes unrest among the workers, who find it ever more difficult to come out on their wages. So bad has inflation become in South Africa, that the Government invited representatives of the employers and skilled workers to a round-table discussion to consider what might be done about it. These representatives emerged with a document, in which they pledged that they would join hands in the struggle against inflation. The workers promised that they would restrain their wage demands to 70 cents of every R1 increase in prices. The employers promised that for every R1 increase in the prices of raw materials wages and machinery, they would increase the prices of their products by only 70 cents. In terms of this

agreement, unskilled workers earning below the Poverty Datum Line are exempt from this wage restraint decision. (Notice here that TUCSA agreed that wages earned by all workers, skilled or unskilled, above the Poverty Datum Line, would be restrained. But we saw no representatives of unskilled workers at the meeting!).

Why is it that skilled workers have entered this agreement to restrain wage demands?

The privilege of skilled workers - their high wages and relatively good-working conditions - is, as we have shown in another article, dependent on an alliance with the employers to keep unskilled wages down. Skilled workers are thus prepared to enter into an agreement with employers to restrain their wage demands, if this will protect their privilege in the long run. The employers, on the other hand, are happy that the skilled workers are prepared to limit their demands, so as to protect profits.

The question we ask is this - is the agreement between employers and workers an equal one? In other words, will they both benefit equally? The intention of the agreement, quite clearly, is to protect profits, and to assist employers to drag themselves out of this crisis. Employers are apt to blame workers for causing inflation; for asking too much as wages. But capitalism has always had crises - some worse than others. During these times of crisis, profits are threatened, and the only way they can be protected is to ask, or force, the workers to cut back on wage demands. The less

asked for wages, the more there is left over as profit. By agreeing to cut back, the skilled workers

are basically agreeing to help the employers out of their trouble.

So this is going to be a time of "belt tightening". But, we would like to know, who is going to be tightening their belts the most? Mr. Grobelaar, Chief of TUCSA, who can't have sausages, bacon and eggs every morning for breakfast any more, or the unskilled workers walking miles to work in Newcastle because they can't afford the bus-fare? Members of Parliament who gave themselves massive salary increases last year (just in time!), and employers, who can't fly overseas for holidays so often - or workers who have to eat potatoes because they can't afford meat? Bacon-eating Grobelaar was asked, and agreed to tighten his belt. The walkers in Newcastle have been told to. We are interested to see who comes out best in this exercise. While workers are straining to tighten their already tightened belts, what is to prevent employers from continuing to increase prices? Oh, we know they have signed an agreement, but what is to stop them from hiding from the public-eye exactly how they change prices, in the same way as they hide their profits from the tax-man? We think that the poor are going to get very much poorer, and the rich, very much richer.