

SMASH THE WAGE FREEZE!

by Bill Christopher

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The opening attack

THE latest attempt of Wilson & Co. to patch up the capitalist system is pathetic to say the least. The Labour Party have always claimed they can run capitalism better than anyone else: they are failing hopelessly, but they are using the traditional capitalist method of attempting to get out of trouble—slam and hog-tie the ordinary people.

It is obvious that today only a Labour Government would dare to implement a wage-freeze policy and arm it with heavy penalties for non-implementation.

Labour was elected on the basis of a strong government, which would pull the unions into line by wielding the Big Stick. Edward Martell has advocated this form of policy for years, possibly in far blunter terms. Even he never dreamed that his propaganda would rub off on the Labour Party.

The opening attack on workers' wages and conditions came with George Brown's Joint Statement of Intent on Productivity, Prices and Incomes. On introducing it, he declared the class war was over. The joint signing by the TUC and the employers' organisations signified to him that a truce had been declared, although in fact the TUC have never been at war with the employers, only with their own rank and file. So in essence the signing of the Statement underlined the *status quo*.

Following the Statement came the Wage Freeze (Voluntary). Unions were *asked* to submit intended wage claims to the TUC. Some did, some didn't. The submission of price increases was backward in coming forward. The Master Bakers had a brief price standstill on bread, but increased the prices of their other products to cover this.

Did George Brown honestly think the workers would voluntarily freeze their wages for a Labour Government, after MPs had increased theirs far above the 3½% norm? This was not to be, so came the decision to wield the Big Stick through the Prices and Incomes Act.

The object of Part I of the Act is to put the Prices and Incomes Board on a statutory basis. Part II is the compulsory notification of wage increases, prices and a red herring on dividends. The estimated cost of running the Board is £335,000 in the first full year, for remuneration, travelling and other expenses. Administration costs are an additional £175,000. If Part II is brought into operation, no one will dare to estimate the cost.

Dividends are dealt with in the section on Company Distributions. The *Financial Times* (5.7.66) treated it more or less with contempt.

It stated there is nothing to prevent normal distribution of dividends, even in the cases where compulsory early warning is required.

The Confederation of British Industry commented:

“‘Early warning’ on dividend increases will add nothing to the Government’s knowledge of public companies and will be of no economic significance as regards 99% of private companies.”

The section on dividends is a bromide for the opponents of the Act.

Involving the unions

Terms and Conditions of Employment, starting on page 13, contain the teeth of Part II. First of all it gives power to the TUC to notify the Board of intended wage claims. This is meant to give the TUC a shot in the arm in general and George Woodcock in particular. The only objection Woodcock has to the whole idea is that the TUC hasn't the power to impose the wage freeze, instead of the Government.

Failure to notify the appropriate Minister within seven days of the claim being lodged entails a fine not exceeding £50.

If an award or settlement is made there is a freeze on implementation for 30 days, unless ruled to the contrary by the Minister. If the wage claim is referred to the PIB the award cannot be implemented until the date of publication of the Board's report.

Therefore Part II freezes all settlements for a month and could freeze all claims for four months.

If an employer should pay up before the legislated period, he can be fined from £100 to £500. And on the other hand, if a union or rank-and-file trade unionists take action to force the implementation of the award they, too, can be fined from £100 to £500. *Local* as well as national claims are subject to the Act.

Therefore, shop stewards wishing to improve wages and/or conditions in their plant, are subject to the penalties of the Act. The officials of their respective unions can also be penalised.

The intention here, of course, is not only to clamp down hard on unofficial action. By involving the union official, he will enforce stricter discipline over members to protect himself.

Part II is a five-pointed attack against the rank and file by:

1. Freezing all settlements for a month.
2. Freezing all claims for four months.
3. Threatening penalties on the employers which strengthen their resistance to ANY claims by 100%.

4. Strengthening unions in imposing firmer discipline on the rank and file.

5. Endangering militant shop stewards and reducing them to fee-collecting agents for the union bureaucracy.

The only point left out is how the Government intends to implement the non-payment of the fines. The idea has been mooted that employers will be given power to deduct the necessary amount from wages. Everything has been taken care of *except* the necessary co-operation of the rank and file.

If we stand for this lot (Part II) *alone*, we shall be as hamstrung as Swedish workers, with compulsory centralized bargaining—and they are only just beginning to discover their mistakes of the past.

But Part II is just a warning of things to come. The body-blow came in the Government's amendment, Part IV of the Act. This freezes wages and, hopefully, prices for six months, followed by a period of "severe restraint"—the difference, if any, is negligible.

The Government White Paper on the subject is very clear on *one aspect only*, the freezing of wages: any claims due to be paid after July 20, 1966, are frozen solid. Workers in 16 industries are due for wage increases and/or shorter hours in the six months July 1966—January 1967. Some are the result of long-term agreements involving increases, or hours reduction, every year. Others involve Wages Council awards. Looking through the list, one sees the majority of people involved are the lower-paid workers, railwaymen, grocery and provision, toy manufacture and local authority manual workers. These workers are always trailing in the wages rat-race; as soon as they receive a wage increase they must put in for another, in an endeavour to *obtain*, not maintain, a living wage.

No freeze on prices

Part IV of the Act is the usual written diarrhoea, so many words and cross-references, designed deliberately to close all the gaps and bolt-holes.

The operative part is that any employer paying an increase in wages, or granting shorter hours after July 20, 1966, can be fined £100, unless the appropriate Minister has given his consent in writing.

By placing the onus on the employer, it forces the workers to strike, if they wish to pursue their claim. There is no fear of an employer breaking the wages freeze.

The freezing of prices, on the other hand, is far more fluid. The White Paper states that the standstill period will apply except to the *limited* (my italics) extent that higher prices or charges may be

necessary because of marked increases, which cannot be absorbed, in cost of imported materials, or which arise from changes in supply for seasonal or other reasons, or which are due to action by the Government, such as increased taxation.

These exceptions are no different from normal. Failing the usual cry of "price increase due to labour costs", the other reasons are always used: increased cost of raw materials, Government taxation, or seasonal demands. Who is trying to kid whom?

The Confederation of British Industry (CBI) is backing the standstill, showing out like a knight in shining armour BECAUSE it can see a way around the price freeze, or failing that can gum the works up administratively. The Government's White Paper promises that the list of 81 items on which price increases have already been notified under the early warning system arrangements will be extended. Clause 9 of the White Paper covers price freeze and states that, except in certain circumstances (already mentioned), all price increases must obtain sanction from the Government. Therefore, if the prices listed which must be included in a total freeze are to be notified, the list will run into millions—and any Government would need thirty million clerks to sort it out. The CBI are hoping to get a compromise on this clause. One can say the CBI have scored the first "breach". Employers do not like their price increases to be noticed; they like to slip them in gradually, drop the price on one article by a penny and up the price on another by threepence—this is good business.

Purely as a matter of interest, at time of writing bacon prices have been raised for the SECOND time in a fortnight. The Minister for Agriculture was very disturbed, BUT he appreciated the difficulty: the increase was due to SEASONAL fluctuation, I must be excused for saying "I told you so." According to the *Grocer*, bacon is one of the few commodities to show an increase, except for those influenced by the Government decision to increase *purchase tax*. Clause 9 cannot only be used as an escape hatch—it's a bloody great hole.

Having read the pamphlet so far, one poses the question, what now, where do we go from here?

It is pretty obvious that this whole abortion is a WAGE and prices Freeze, and the opposition to it, for the moment anyway, has been hundreds and hundreds of words and quite a few cubic feet of hot air. The Labour Government can afford to tolerate the so-called "left-wing opposition" in view of its parliamentary majority.

In any case, the "opposition" is a handy safety-valve for the time being. Those trade union leaders who at the moment oppose the Bill look to the "left-wing opposition" as their saviours; it prevents them advocating any form of direct action, also it's something to

tell their members if they get stropky: "We are supporting the fight in Parliament".

During the Committee stage (4.8.66), Mr. Cousins suggested that the trade unions were in danger of becoming an adjunct of Government. Mr. Brown maintained that for much longer than his lifetime the effort had been to see that the trade unions became an effective part of the process of Government. This involved responsibilities and obligations—not Syndicalism.

Let's get this straight: the Joe Soaps of this country HAVE BEEN TOLD how it's going to be. Sure, Mr. Brown chatted the TUC, but he TOLD them how it was going to be and they were more than halfway with him anyway. This is the reason it's not Syndicalism, but control and direction from the top down. The Act grants Minister and Government powers unheard of in peace time, it is a "not-so-benevolent dictatorship".

An important factor is the increasing use of Administrative Tribunals by the Government. The National Board for Prices and Incomes is a classic example: any person who refuses or wilfully neglects to attend in obedience to a summons shall be liable on summary conviction to a fine not exceeding £50. Refusal to supply books or documents merits the same treatment. No wonder George Brown said this was not Syndicalism.

Industrial action the answer

The Freeze is for a 12-month period and Mr. Brown has stated that it would require an entirely new Act, that would have to go before both Houses of Parliament, before the freeze could be extended beyond that period. This was an attempt to soften the critics, but the point is A NEW BILL COULD BE PRESENTED AFTER 12 MONTHS and the Government, with its majority, could easily get it through, without serious obstruction.

The Labour Government has thrown off the "velvet glove" and the TUC has acquiesced. Trade unions leaders have rucked, Frank Cousins has walked out of the Committee room, but the Act is law.

We have to face it: only industrial action will blow this lot back into Wilson's lap.

One obvious factor is, that if anything at all is going to be done, it will have to be done by the rank and file, Looking to leaders never has been and never will be of the slightest use.

Looking back on any gains made by any section of workers, the impetus and struggle has always come from the rank and file. The leadership then takes over and the process of compromise begins: "negotiation" is the official jargon.

Take any industry in which there is any organisation at all, the basic rate negotiated by the union is peanuts, shop floor organisation is responsible for raising earnings and improving conditions and on many occasions it has been despite the official union leadership, not with it.

A wage freeze is the *only* solution any government can offer when faced with a financial crisis, don't let's be fooled that a "communist" government would act any different. Many Russian workers have known a wage freeze all their lives, the only difference being that for them it was for the Glory of the Fatherland, for us it is to Make Britain Great.

The only common-sense way to attack the wage freeze is by industrial action—and not necessarily by a complete withdrawal of labour. Working to rule, any agreements that don't suit break: if it's good enough for leaders to break agreements it's good enough for us.

Remember Cripps and his attempted wage freeze? The organised workers knocked it to hell, and it's them who will have to do it again, maybe piecemeal at first, guerilla tactics, strike here and away, strike there and so on.

Rank and file liaison committees between workers in different industries and unions, must be set up on the basis of the industrial struggle. No doubt many politicians will want to climb on the bandwagon offering leadership. The Communist Party and Trotskyists are dab hands at this caper. They *told* workers to vote Labour, knowing the freeze would come. If they are allowed to take over the fight, then the fight is lost.

All workers in this country are facing a crisis, not only in terms of working conditions in holding what they have, but in terms of real unemployment. "Redeployment" is a phoney for the majority, and certainly no consolation to unemployed workers in a "one-industry" area.

Without getting emotional about the whole affair, the challenge has been made. If it is not taken up seriously, the future for the working people of this country is very bleak indeed.

We cannot say we don't know the score.

LITERATURE

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