

Wage controls have served purpose

by M. Allain

During a 1974 election campaign rally, in Timmins, Ontario, Prime Minister Trudeau condemned opposition leader Robert Stanfield's proposed price and wage controls as unworkable. It would be impossible to freeze executive salaries and dividends, he explained, because there were too many loopholes to squeeze through. Likewise, farm products, fish, the prices of U.S. imports and Arab oil would all be impossible to control he said.

"So what's he going to freeze? Trudeau shouted, "Your wages. He's going to freeze your wages!"

Two years after the imposition of controls we've had ample proof of Trudeau's astuteness

Indeed it has become distressingly obvious that the Anti-Inflation program is nothing but a poorly disguised euphemism for wage controls. The AIB has overtly used its mandate to emasculate organized workers by suspending their rights to collective bargaining and reducing their wages through forced rollbacks.

The adverse effects of wage controls, however, are not limited to organized workers. As students, we are also being victimized by the AIB's repressive measures. Most students who manage to find summer employment do so at low paying, non-unionized jobs. As an amorphous work force we are easily maintained in a marginal position at wage levels well below those of unionized workers. The lower the latter's level, however, the more dire the consequences for the non-unionized.

The majority of students require some form of financial assistance to supplement their summer income. (in a recent Gazette survey 65% of those polled received outside assistance). Most of us are heavily dependent on Student Aid, which has not been increased in more than two years. Such is not the case, however, with student costs.

Our rent, food, transportation costs, books, tuition and other essentials continue to escalate while we are expected to live on a budget that remains the same from

year to year. Throughout it all we are supposed to be credulous enough to believe that price controls do exist. It is simply asking too much.

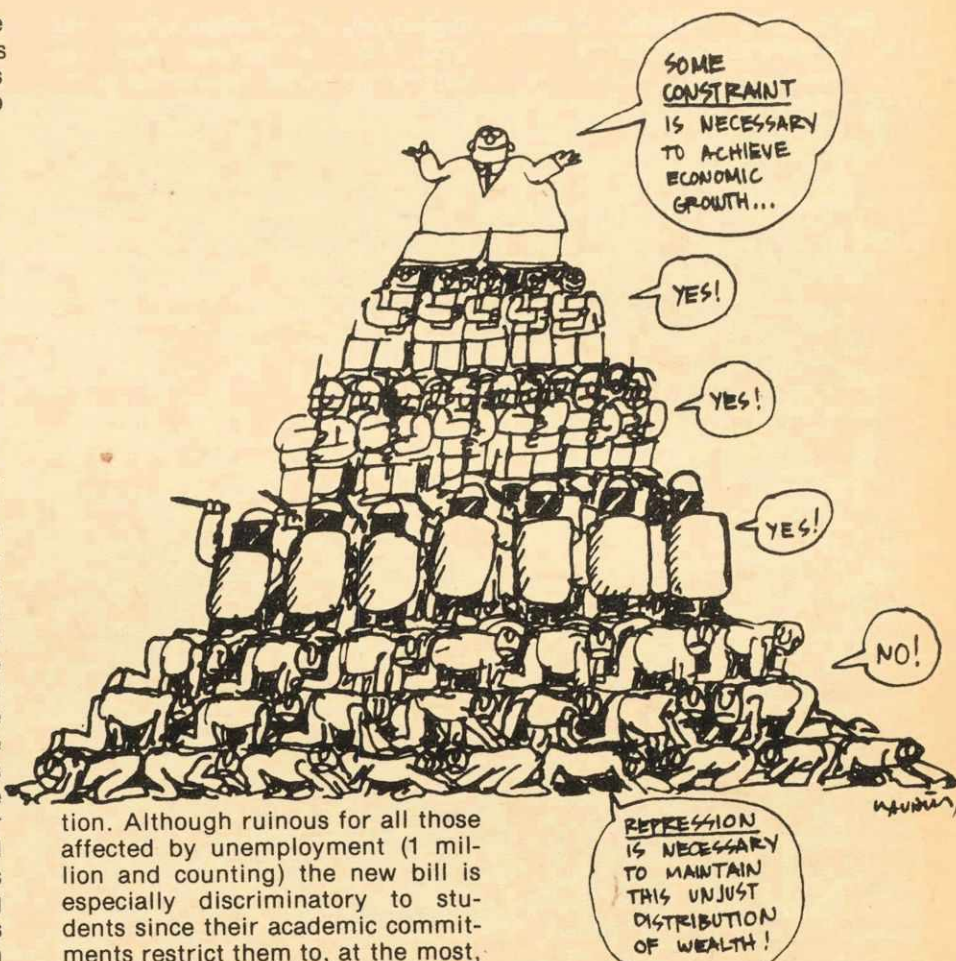
Perhaps the most pernicious aspect of the Anti inflation program is its direct cause and effect relationship with unemployment. We all know that unemployment has continued to rise since the imposition of wage controls. However, in a country plagued with perennial unemployment it is all too readily discounted as coincidental. Such is definitely not the case.

The AI program is a direct and planned creator of higher unemployment. Through its' productivity clause companies are allowed to increase their profits if they increase their productivity. The most expedient means of increasing productivity is by laying off workers and having plant speed ups. The immediate result is of course an increased production. At the same time however, the market for the glut of products being produced is considerably restricted due to the decrease in purchasing power brought about by the lay-offs and wage freezes. The consequences are a decline in sales, a stockpiling of products and finally more lay-offs or complete plant shutdown. With the AIB providing the incentive then unemployment multiplies while corporate profits remain unscathed.

Where does this profit induced unemployment place students? According to opposition leader Joe Clark, smack in the middle of the growing "army of the unemployed". The reference to an army is not wasted for we do end up fighting... amongst ourselves and for jobs that just aren't there.

Unbelievably the governments' response to what is obviously a very negative trend has been legislation that exacerbates the situation. As preposterous as it may seem this is exactly what has happened. The new unemployment insurance legislation has increased the requirements of eligibility from 8 to 12 weeks and at the same time decreased the periods of compensa-

Comment is an opinion column open to members of the university community who wish to present an informed opinion on a topic of their selection.



tion. Although ruinous for all those affected by unemployment (1 million and counting) the new bill is especially discriminatory to students since their academic commitments restrict them to, at the most, a mere twenty weeks of active competition in the job market. The logic of our welfare state (sic): jobs are hard to get therefore make unemployment insurance even harder.

Various euphemisms are used to describe the present situation. They range from economic "malaise", to "slump", to the even more vague "sluggish economy". Regardless of the description used the propaganda organs of big business have insidiously managed to disavow all responsibility. They single out inflation as the main cause of economic woe and blame it on labour's proclivity for strikes and falling productivity. From time to time "excessive taxation" at the corporate level is also woven into their hackneyed arguments.

However a lucid appraisal of the real forces at play points directly to corporate community as the main perpetrator of economic instability. Since 1961, the productivity of Canada's working people has increased by 117% overall. But, at the same time, employment has only increased by 32%. This "intensification of labour" has created a large labour surplus i.e. more unemployment.

Between 1967 and 1974 corporate profits increased by 250%. Personal income meanwhile, increased at a more modest 125%. Despite this relatively fast growth in corporate income, the corporate share of public revenues during that period fell from 11.3% to 10.7%. Does this quality as "excessive taxation?" Personal income tax, at the same time, increased as a source of revenue from 16.2% of all revenue sources to 18.3%. The real clincher is that the 1974 level of corporate profits was the highest in more than

twenty years. Workers real incomes in 1975 however were no greater than in 1972.

Therein lies the reason for inflation.

Union demands and strikes for higher wages were a direct response to inflation, and not the cause of it. In 1974 and 1975 respectively, 8 and 11 million man-days were lost due to strikes or other labour conflicts. The majority of these were over indexing wages to the rise in the cost of living, to counter inflation's persistent erosion of the pay check.

By 1975 the collective agreements signed with cost of living clauses had increased from 15 to 60%. By the second quarter of 1975 wages and salaries were accounting for 70.8% of the national income, up from 67% a year earlier. Meanwhile, share going to profits had fallen. The one statistic that explains why Trudeau imposed wage controls when he did is the 9.3% drop in corporate profits for the second half of 1975.

Well organized and highly influential big business was not about to let the government sit idle while the profits which they had grown accustomed to were being cut back. It is inevitable that government eventually pursue the objectives of the class it most clearly represents. Two million workers were about to renegotiate their contracts in the coming year. On October 14, 1975, however they were put in check.

Many Canadians are now saying that wage controls have not worked. However, if you accept that their objective was to make the working class pay the price of maintaining high profits, then controls have worked just fine.

Loyalty or jealousy?

by Peter Moore

Here is an issue for you to ponder.

Last weekend, the Dalhousie Engineers displayed the results of their hard working enthusiasm in the Joseph Howe Festival Parade. Their float was hailed as the best entry from a University.

After the parade, it was stolen at the earliest opportunity, broken, smeared with paint, and transported, half of it to the back of the King's College Campus and the other half to the middle of the Public Gardens.

Why was this done?

The float, which was to be used again in the Winter Carnival, displayed the slogan, "Loyalty is remembering your alpha mater" (school spirit). Were the twenty or so people involved in the theft trying to show loyalty to their school (obviously King's), or were they acting out of jealousy? Were they envious of the spark of internal strength and unity demonstrated by the Engineering Society, a spark that the vandals are apparently lacking? (I didn't see a King's float in the parade, did you?)



Dal Photo/Morris

Perhaps the culprits were trying to prove they have guts. But don't you agree that it takes guts to undertake a major project, but only ignorance to destroy one?

By the way, if Michael E. Brown (author of September 29 editorial) still thinks Dal students are apathetic he must have missed the parade.

Rosemary Brown, feminist, social worker and member of the B.C. Legislature, will be in Halifax next week to speak at a two day workshop.

Brown, the primary speaker, will talk about Rape, and Violence in the Family. A number of local people from organizations such as Rape Relief, will be asked to give addresses also.

The workshop will be held at Prince Hall in the School of Social Work on October 19 and 20 from 9:30 a.m. to 4:30 p.m.

Brown will be in Halifax for four weeks lecturing at the School of Social Work. These lectures are open only to students at the school.

For information on the two day workshop, contact Joan Gilroy at the School of Social Work, 424-3760.