

# ANTI-INFLATION BOARD

## Now it's patriotic to starve

by Paul Burgwin

Filled your tank lately? Ever think that a five dollar bill is just enough to pay for a case of beer? Worried about where you're going to get the money to pay the next power bill — if the Power Corporation hasn't already cut the electricity off? Wait till you have to pay 25% more for your 1977 license plates.

Now, hold it. Before you start complaining that prices are going up all the time, just remember that the Chairman of the Anti-Inflation Board, Jean-Luc Pepin, has declared "a victory in the war against inflation." But on the other hand, it could be his own battle against inflation he's talking about; after all, his salary is a cool \$60,000 a year. Or it could be that he's speaking on behalf of Westinghouse Corporation, where he sits on the Board of Directors. They won their battle long ago — their profits from 1971 to 1975 rose 513%.

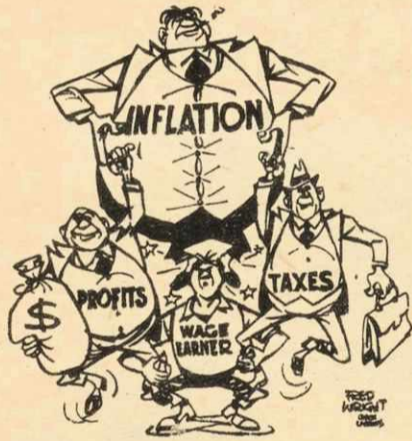
What about our battle against inflation? Says Pepin, working people "are actually better off with controls." That's hard to swallow for the working men and women whose yearly wage increases have dropped from 17% to 10% due to A.I.B. rollbacks. Or for the 890,000 unemployed workers across Canada.

At the same time as wages are falling, prices keep rising. Look at housing. Prior to controls housing costs increased at a rate of 9.2%. Now they are going up at a rate of 11.2%. And food prices are also increasing. If you live in Halifax it costs 18% more to put food on the table than it did before controls.

So if the A.I.B. is a fraud, if it's keeping down wages while letting prices rise, then why is it in existence at all?

To answer this question we have to go back to the period before the controls were introduced. The single statistic which best explains why Pierre Trudeau became a convert to "wage and price" controls is the 9.3% drop in corporate profits in the second half of 1975.

The inflationary trend in Canada really caught fire about three years before wage and price controls were announced. During these three years, food prices rose by 20%. Corporate profits were up from 8.6 billion to 18.3 billion, a rise of about 111%.



During the same period wages rose only about 25%, making a lie out of the old business theory that it's wages which cause inflation. Then, towards the end of 1975, the trend reversed itself. Feeling the pressure of rising prices organized workers began to fight for, and won, half-way decent wage increases. This caused the 9.3% drop in corporate profits, costing the corporate establishment some 4 billion dollars.

And big business had more of the same to look forward to. From mid-October, 1975 to the end of the year some 500,000 workers were due to sign new contracts. In 1976 another million more would be represented at the bargaining table, many of whom had been locked into two or three year contracts and were looking for hefty increases to make up for lost ground.

Pierre Trudeau knew what controls were for — holding down wages at the expense of workers. In 1974, he used the truth about controls as a convenient stick to beat Robert Stanfield. He said, "Robert Stanfield has already said he would not freeze the price of U.S. imports or Arab oil, and he admitted he would exempt housing prices (so has Trudeau). So what's he going to freeze?" Trudeau shouted at the election rally. "Your wages! He's going to freeze your wages!" Trudeau has since stuck to the letter of his 1974 assessment of controls. Under his legislation, the items which cause 75% of price increases were left uncontrolled.

And while the A.I.B. paints a glowing picture of business and labour working shoulder to shoulder in beating inflation, it has helped to create a far different reality. Since mid-August it has recommended price rollbacks for only six companies. Apparently it has been too busy rolling back 1,949 collective agreements affecting 556,901 workers. In the process they took \$175 million out of workers' pockets and placed it in corporate pockets.

In the past year and a half, the anti-inflation legislation has weathered the test of time. It has had its desired effect — profits are again on the rise; they're up by 117%.

The A.I.B. isn't the only weapon governments and businesses have used to make workers pay for depressed profits; it's just the biggest one they are using right now. Their general attack includes reduced UIC benefits, tax laws favouring the corporations, forced unemployment, and cuts in health care and education.

But the main focus for the attack is the workers' traditional protective organization, the trade union. The first step was to take away the union's right to freely negotiate wage settlements, by imposing rigid controls designed to limit workers to a prearranged increase.

The next stage could be a series of anti-union crusades like the one carried out by the Mid-Island Public Employers Association (MIPEA) in Nanaimo, B.C. There the employers' goal in recent negotiations was to deprive union members of more than 100 already-won benefits, from seniority rights to overtime premiums.

An MIPEA spokesman defended their position by saying that collective bargaining "...doesn't mean improving the living and working conditions of workers." When the union accused the MIPEA of engaging in a reckless



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and reactionary programme, the response was, "Reactionary, yes. Reckless, no."

Similar attacks have taken place right across the country. In New Brunswick the provincial Treasury Board is requesting the forfeiture of union shop provisions and a longer waiting period for employees before they receive four weeks vacation. In Quebec, construction workers were forced to strike when the companies tried to limit the role of on-site stewards, and attempted to do away with union-controlled hiring halls. In Campbellton, N.B., 44 municipal workers were fired for participating in the Day of Protest.

Even more of this kind of tactics can be expected in the next year. Because of continuing slow economic growth, businessmen will pull out all the stops as they scramble for higher profits.

Ray Thomas, Vice-president of Polymer International (N.S.) Ltd. put it this way: "The most important subject businessmen should be discussing with political leaders is not disparities but how to improve profits." The President of the Bank of Nova Scotia agrees, saying, "The number one priority in Canada must be the further ratcheting down of the rate of wage and salary advances."

Just at the time when unemployment is higher than it has been in 20 years, right in the middle of the A.I.B. onslaught, the attitude of the corporations can be summed up as — To hell with workers and their families; we want lower wages, higher profits!

To combat these blood-thirsty "captains of industry", we will have to stand united, to resist the cutbacks of wages, to fight back against unjust attacks. Not individually, or one trade union here and another over there. Instead, it has to be a collective effort, bringing together rank and file workers from Yarmouth to Sydney, and across the country.

For it is still true — workers' strength is in our active and united defense of our interests.

(Paul Burgwin is a worker living in Halifax, and a member of the Nova Scotia Labour Research and Support Centre.)

## J.K. Bell on wage controls

J.K. Bell, Secretary-treasurer of the Nova Scotia Federation of Labour, has been one of the most vocal opponents of wage controls. Paul Burgwin talked to J.K. about present battles and future prospects for our labour movement.

**How effective has price-control legislation been in keeping down prices and reducing the rate of inflation?**

**J.K.:** Price controls have been very ineffective so far. There are quite a few corporations whose profits are a lot bigger than they were prior to controls. Yet very little has been done about it.

Working people certainly can't see price controls. There's no controls on energy costs, on interest, on land speculation or on food stuffs, for example.

**O.K. What's it all about? What's the A.I.B. for then?**

**J.K.:** There's a general attack on the standard of living of this country's working people going on right now. It's happening on all fronts. Take social services; the federal government is scheming to unload its assistance in health and education back onto the provinces. If that happens we'll lose a lot.

In certain parts of the country, not here yet, politicians are attacking working class organizations. All the fuss over what they call the "right to work" clause, for example, is an attempt to destroy unions. It's part of a campaign to take away working people's

rights. In every field of endeavour you can notice restrictions and cutbacks facing ordinary workers.

**Trudeau suggested that by holding back the wages of those workers who made more, he'd be helping low-paid workers catch up. Has this happened?**

**J.K.:** No! Nothing like that has happened. In fact, it has been our experience that in the Atlantic region the lower the wage the more severe the A.I.B. has reacted against wage increases. We can show that, for example, in the case of hospital employees, the highway workers and other groups whose wages average somewhere around \$3.00 an hour.

**Is this the first time that you know of that wage freezes have been used to make working people pay for an economic crisis?**

**J.K.:** Trade unionism in Nova Scotia's coal industry started with the Provincial Workmen's Association, and that began out of a wage cut in the Springhill area. Prior to the turn of the century one of the biggest union efforts always was to fight against the large number of wage cuts employers were always arbitrarily imposing.

During the depression years I can recall, for example, that a lot of companies introduced two 10% cuts in one year. So wage cuts have been part of struggles in our working people's history. Workers, then as now, had to fight corporations to get wages in line with living costs. Companies, on the other hand, tried to maximize their profits

by introducing wage cuts.

**The Day of Protest on October 14 was called, by the Canadian Manufacturers' Association, an attack on the country, upon the whole people of Canada and their way of governing themselves. What do you say?**

**J.K.:** It's not true. I guess it all depends on what you mean by the country. If you equate it with the trust companies and the banks and all the corporations, naturally it is against those. But they are not necessarily the country. In a democratic country people are supposed to count ahead of property.

The fact is the trade union movement in Canada is the single largest organization in the country. Yet policies of major importance are being introduced by government without any consultation with labour. If anything that is a more basic attack on the people's democratic rights.

I would think that in any democracy an organization that comprises the largest group of people certainly should have some impact.

**What should workers be doing to protect themselves?**

**J.K.:** Not too long ago I listened to a broadcast where a representative from a large New Brunswick corporation was interviewed. When he was asked about unions he said, "Well, I have no position on unions; they are still legal." Still legal! And he emphasized the "still". It sounded like he's just waiting for the time — soon, he



J.K. Bell

hoped — when they wouldn't be legal any more. Then he would be able to operate without any interference at all. There'd be no threat that his workers would become unionized.

Somewhere along the line workers have got to realize that there are people around who will deprive them of all their rights and have so far just tolerated unions. That's going to be a real fight for us.