

THE PAY FREEZE:

HOW TO FIGHT BACK.

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FOR WORKERS;

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The Background: Strategy and Tactics of the Tory Government.

The British employers are in a mess - they are unable to compete effectively in the world economy. They want to get out of this mess by attacking the living standards of workers. They want to keep wages down in the context of soaring prices and rents and break up so-called "restrictive practices". In this way the employers seek to make profits rise so as to give them the money to invest in more plant and equipment.

Successive governments, Labour and Tory, have tried to help the employers in this. Above all these governments have tried to weaken whatever power workers have in their trade unions and shop stewards organizations. The strategic aim of both Labour and Tory governments has been essentially the same but the tactics they have used to attain this end have been different. Essentially they have aimed, not to destroy the trade unions, but to attempt to give them a different function. The employers and government want the trade unions to be instruments to control the workers rather than instruments to defend and advance the interests of the workers. Every militant knows how difficult it is to get the full time officials and the union leadership to act vigorously for the membership. The Labour and the Tory governments have sought the collaboration of the trade union leaders in implementing various incomes policies and the present Pay Freeze. They seek to get the trade union leaders to accept responsibility for controlling and restricting wages "in the national interest" (which is really the employers' interest because the employers own the national economy and it is they who stand to gain from restricted wages in higher profits).

In order to attain their strategic aim the government has tried to weaken rank and file organization and has tried to leave the full time trade union bureaucrats in control of a passive trade union movement. The employers magazine the Economist proposes quite openly that the government should try to isolate the militants (called 'Aggrophiles' by the Economist). This magazine thinks that once the 'responsible General Secretaries of the Trade Unions' are back in control, and the Aggrophiles hounded out, then everything will be peaceful for the employers. In essence the purpose behind the Labour Government's "In Place of Strife" and the Tory Government's Industrial Relations Act is to weaken shop floor organization and rank and file control, for instance by outlawing unofficial and sympathy strikes, and thereby to strengthen the "responsible" full time bureaucrats.

The Labour Party's electoral support is, of course, based upon the working class. While the Labour Government quite clearly defended the employers with its incomes policy and the creation of unemployment it was afraid to lose its electoral support among the workers and so militant action on Mayday 1969 succeeded in getting the Labour Government to withdraw on their intention to legislate "In Place of Strife". After several years of their living standards being held back in the face of rising prices workers were forced to put in for large wage claims from 1969 onwards and Labour's Incomes Policy collapsed. The Tory Government was elected in 1970 - many workers did not vote Labour because they were disillusioned with Labour's betrayal of working class interests. The Tory government was certainly not elected because more people supported the Tories than before.

The Tories have used different tactics to the Labour government but their aim has been essentially the same - to extend state control over a passive trade union movement. They tried to slow down the rate of increase of wage rates - each settlement was supposed to be 1% less than the one before - and to establish a 7% norm. The miners strike decisively defeated the government and gave a clear indication of what other workers could achieve through militant action. Similarly the Struggle to Free the Five dockers was a defeat for the government in their attempt to implement the Industrial Relations Act. As a result of all this the government changed its tactics. Instead of jailing militants the government is putting huge fines on unions that contravene the Industrial Relations Act - thereby putting pressure on the trade union leadership to hold the line against the rank and file. In addition the Pay Freeze has been imposed. Phase I came when only the weaker sections of the

working class were going into struggle - like, for example, the hospital workers. What the government wanted to do here was to establish the principle of the Pay Freeze by defeating the weaker sections of the workers that go into struggle isolated. By separating out the struggles and defeating them individually the government hopes to create a mood of demoralization in which the rank and file will feel that the government cannot be beaten. In this situation stronger sections of the working class can be taken on and defeated. Following from this the "wreckers" will lose their credibility and their following and the Tories will have achieved conditions in which it would be possible to impose permanent state control over wages. This at any rate is their aim - whether they are able to achieve it or not depends on the working class response.

Phase II - The Provisions. (the next 2 sections are based on an LRD pamphlet).

Phase II started on 1st April and will last till the autumn when the government hopes to launch Phase III. The Pay Board and Price Commission that have been set up will attempt to regulate pay, prices, dividends and rents for the next 3 years - or longer if their powers are extended by Order in Council.

During Phase II pay increases for any and all groups of workers must not exceed the equivalent of £1 per week plus 4% of the group's current wage bill. A "group" is defined here as the employees normally covered by a pay settlement. (It should be emphasized that the £1 plus 4% is the maximum attainable and employers, particularly in poorly organized sectors will undoubtedly try to pay less). To give an example of how the £1 + 4% would work out let us imagine a factory employing a group of 1,000 workers with a weekly wage bill of £20,000. The maximum amount of money available here would be £1,000 (£1 per head) plus £800 (4% of the £20,000) making £1,800 a week. This £1,800 could either be distributed as an extra £1.80 a week per worker or in whatever way agreed, but the total would not be allowed to exceed £1,800 a week.

The cost of longer holidays and shorter hours must be included in the norm, though reductions in hours to 40 a week, and increases in holidays to 3 weeks are outside the norm. Improved pensions and redundancy schemes are also exempted. Payment by result workers will be 'allowed' to earn over the norm - but only if this is as a result of increased output and prices for existing jobs will be subject to the norm.

As far as Equal Pay for women workers is concerned the Government has decided not to invoke clause 9 of the Equal Pay Act whereby women's rates were to have been brought up to 90% of male rates by December of this year. Instead, the government is allowing existing differentials to be reduced by up to $\frac{1}{2}$ by the end of 1973, outside the pay limit if necessary.

Average earnings for male manual workers are now about £35 - or £30 excluding overtime. Under the norm of £1 + 4% the maximum increase on this would be £2.20 or about 6%. If we allow for increases in overtime earnings and so on there could be a further drift of about 60p - making overall an 8 $\frac{1}{2}$ % increase over the year. After deductions this would make an increase in take home pay of about 5.8%. Prices are expected to rise by about 7% over the same period. The wage freeze is therefore clearly enforcing a wage cut!

The Penalties.

The government intends to enforce this statutory wage cut by prosecution and "unlimited fines". If a company fails to comply with an order from the Pay Board prohibiting payment of an increase above the norm then it is liable to conviction. Failure to comply with Pay Board directives will render an employer liable on summary conviction to a fine of £400, or on conviction on indictment to an unlimited fine. The same penalties apply to any trade union, organization or person taking action to exercise pressure on an employer to contravene the Act.

The action referred to here is calling a strike, a go-slow, or work to rule which involves a breach of contract of employment (this does not cover an overtime ban). Threatening to do any of these things also contravenes the Phase II legislation. It is not the individual striker but the person or trade union who calls or threatens to call a strike that can be prosecuted. The Act is designed to ensure that penalties

will be exacted in the form of fines to be paid out of union funds - rather than through imprisonment. By getting the union to pay for the actions of the shop stewards the government wants, as has already been argued, to get the union full timers to deprive the shop stewards and rank and file militants of their powers within the unions.

Towards a Counter Strategy Against the Tory Government.

Phase II is part of a Tory Government strategy whose overall aim is to emasculate the trade union movement in the interests of the employers. This immediately raises the question how should the working class fight back? It is clear, because the miners and the dockers have proved it, that the better organized sections of the working class in key industries can defeat the government. However these were isolated victories and the weaker sections - like the hospital ancillary staffs crucially needed real assistance from the rest of the trade union movement. Despite isolated victories there has been no permanent change in the relationship of forces between the Tory Government and the working class - it is this that has to be worked towards. Such a permanent change in the relationship of forces has to aim at the smashing of the Industrial Relations Act and the Pay Freeze. This in turn means bringing down the Tory Government because these are the central Tory policies. If we ask how can the Tory Government be brought down then there is only one answer - through a General Strike. The Tories have already said that they will not bow before one day protest strikes and so actions like Mayday will not be enough in and of themselves. (Though they are, of course, useful in the build up to an extended General Strike).

In preparing for a General Strike we should seek to do the exact opposite to what the Tories are trying to achieve. They wish to isolate and defeat individual sections of the working class in struggle - a well prepared General Strike would bring the immense strength of the entire working class together and in the face of of this the government would be helpless.

One cannot, of course, talk in a light minded fashion about General Strikes. If the working class were to be defeated in such a struggle this would be a very severe and very demoralizing defeat indeed. But in this situation there is really no choice - individual sections of the working class can win isolated struggles through struggling alone but in the longer term the government will be able to divide and rule, defeat and demoralize the trade union movement and impose a severe reduction in the standard of living of the working class. As has already been mentioned the government has said that it will not bow before protest strikes. Having said all this we must keep in mind that a General Strike is a very serious undertaking and requires serious preparation beforehand.

It is not possible in this pamphlet to ^{go to} great lengths on what such preparations will entail but it must be stressed that in a General Strike Councils of Action would have to be set up to coordinate and take decisions about the Strike. Such Councils of Action were set up in the 1926 General Strike and had to take many decisions - for instance authorizing the movement of transport and making sure essential supplies were available for the workers themselves. The Councils of Action would act as unifying bodies bringing together and representing all those opposed to the Tories - different sections of the working class, unemployed workers, pensioners, tenants, students, housewives and so on. What is necessary at this stage is to make preparations for the creation of such bodies so as to ensure the successful and smooth running of the struggle.

Of course the other preparation that has to be made is to fight for the General Strike orientation throughout the entire trade union movement, popularizing the idea and getting it discussed by all workers. This involves more than just passing resolutions through union branch meetings - it also involves ensuring that resolutions are acted upon so as to get the unions to adopt the General Strike strategy and actually involved in the preparations for this struggle. We must be careful here, however, that we do not counterpose the General Strike to local or unilateral action by one or more unions. Trade union leaders like Gormley raise the issue of the General Strike in the following manner - everybody must be out before anybody comes out. - and in this way they ensure that nobody comes out. (Thus the effect on the miners strike ballot). What is necessary on the contrary

is for workers who are actually in struggle against the government and the employers to raise the demand for a General Strike as the best and most effective way of solidarity among all members of the working class and in this way to build a movement of General Strike dimensions by starting action right now. This will be tied up with a struggle in the unions to get the leaderships to take up the General Strike perspective - if they do not then there has to be a fight to get rid of them. It should not be forgotten that the T.U.C. leaders in 1926 sold that struggle out by calling it off.

As a practical step in the fight for the General Strike strategy action committees of workers in different industries and trades are needed at the local and the national level who accept the need for a General Strike and who will make it their business to propagandize and prepare for it. Such action committees can be established in a whole number of situations and through a variety of initiatives. Militants fighting for the General Strike should try to get their trade union to take the initiative in setting up such action committees. In some cases committees set up to coordinate action on Mayday might be kept in existence on a more permanent basis. Again, if workers in struggle raise the call for the General Strike strategy then as an immediate step they can take the lead in establishing an action committee and in that way link up with others in struggle. In some places it will be possible to turn existing working class organizations - like Trades Councils - into action committees which take the lead in preparing for the struggle.

We should be trying to work towards a situation, even if it is not possible at first, where such action committees will be able to take up and initiate solidarity action with all local and national struggles - including the struggle of tenants and unemployed workers, students and black workers struggling against racist oppression. It is not true, as the government would have it, that the struggle is between the "trade unions" and the government or more crudely the "wreckers" and the "national interest". On the contrary the working class as a whole is under attack - rising prices, unemployment, the Housing Finance Act, the racism of the Immigration Act, Health Service cuts etc. etc.

The Tory government wants to make out that the unions are the cause of everyone's troubles - but if we want to get rid of this government then there should be a struggle to bring the whole of the working class alongside the struggle of the trade unions - not just those who actually work but the housewives, unemployed, students, pensioners and so on. What is necessary then, is to link up support for different sections of workers, housewives, tenants etc., extending the present struggles beyond purely sectional and "parochial" interests, unifying them around the struggle against the Tory government and generalizing them into an effective General Strike to bring that government down.

The Defence of the Trade Unions and the Struggle for Socialism.

An obvious question is - after the General Strike, what next? We have already seen a Labour Government in office defending the employers, also introducing Pay Freezes and attempting to reduce the power of the trade unions. If a Labour Government were to replace the Tories it would try to weaken the power of the trade unions - but in a different way, using differing tactics. In all probability a Labour Government would offer concessions like the withdrawal of the Industrial Relations Act in return for the trade unions accepting a "reasonable" pay policy. In this situation, where the Labour Government would try to save the employers after their enormous setback, it would be necessary to ensure that the Labour Government had no room to attempt to get concessions for the employers. This would be done by maintaining the Councils of Action and other unifying bodies in existence, consolidating their powers and links with the working class as a whole.

A future Labour Government would try to act in the interests of the employers while attempting to retain support among the workers. The reason for this is clear - because a Labour Government would accept that the employers should continue to own and control the factories, the mills and the rest of the economy. In this situation they would be compelled to act in the interests of the owners to "get things back to normal". By refusing to accept as "normal" attacks on the trade unions and cuts in their standard of living the workers will be

compelled to question whether or not the employers should continue to own the economy. We in the International Marxist Group are convinced that millions of workers will come to see that the economy and society should be owned and controlled in the interests of working people and that all power would have to be transferred to the organizations that the workers have thrown up in their struggle - like the Councils of Action. This would be the basis of a democratic socialist society based on the power of the working class where all major decisions affecting the production and distribution of goods would be made by the working people themselves.

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Read RED WEEKLY - Journal of the International
Marxist Group.

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I am interested in further information about the I.M.G.

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