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NEW WAGE STRUCTURE—THE CHALLENGE

The Research Officer of the Building Workers' Industrial Union in Queensland sees the recent decision of the Commonwealth Arbitration Commission granting the employers' claim for a total wage as a move to impose an 'incomes policy' to the detriment of the Trade Unions.

PRONOUNCEMENT of the Commonwealth Arbitration Commission on the Federal basic wages in the various States and marginal rates for skill, experience, disability and some other matters under the Metal Trades Award affect directly the wages of more than 40 per cent. of all workers in Australia.

As there has been a strong tendency recently for State Industrial Tribunals to apply decisions of the Commonwealth Arbitration Commission to State award workers, the Commonwealth Commission has become the main wage-fixing body in Australia. Federal basic wages, as such, were first declared in 1907 following the famous Harvester Judgment of that year. A marginal rate of pay was first fixed in 1924 after the Engineers' case. The Federal basic wage (and later the States' basic wages) and marginal rates quickly became the basis of wage fixation in Australia. Both appeared inviolable in the system of industrial relations known as compulsory arbitration.

That set-up served capitalism well. Arbitration Courts cut wages and lengthened hours during the depression years of the 1930's. Some marginal pay rates and the Federal basic wages were pegged for periods during World War II and between 1953-56 and 1961-64. Only minimal wages increases were conceded in the postwar boom years when Australian capitalism experienced unprecedented development. Looked at superficially, the methods of wage fixation which had served Australian capitalism so well would have appeared to set the pattern for the future.

However, the recent pronouncement of the Commonwealth Arbitration Commission peremptorily abolished the basic wage and margin components of wage rates in Federal awards and, in their stead, ordered the introduction of total wages. The pronouncement ended yearly reviews of the basic wage and the marginal rates within the Commonwealth Commission's juris-
diction and said that there should be no economic review of the total wages set by it until August 1968. Approval for what are known as work values cases was expressed by the Commonwealth Commission. Doing all this, the Commonwealth Commission in 1967 accepted fully employers' proposals—first advanced at length in 1964—to abolish the basic wage and margins and institute a series of total wages in Federal awards.

The 1967 total wage pronouncement highlights one of the greatest reversals of policy in the long and shabby history of compulsory arbitration. It invites the sharpest criticism of a Commonwealth Commission which accepts now what it so firmly opposed only three years ago.

In 1964, the Metal Trades Employers' Association had asked the Commonwealth Arbitration Commission to abolish the basic wage, refuse to reintroduce automatic adjustments to compensate for rises in the cost of living, and establish a new approach to wage fixation based on total wages. The trade unions strongly opposed the application. They stressed the importance of the basic wage to the lower-paid workers, the historical significance of the basic wage, and parliamentary recognition of the need for a basic wage. The Commonwealth Government intervened on the employers' side, to oppose automatic adjustments to cover rises in the cost of living, and claimed that it was wrong that all marginal rates should increase after an increase had been found to be justified in one marginal rate.

After every conceivable argument for and against these proposals had been advanced in the lengthy 1964 hearing, the judges said that the Commonwealth Arbitration Commission was unanimous that the basic wage should not be abolished and that the employers' proposal for a total wage should be rejected.

Those who determined the 1964 total wage case in this way were: Kirby C. J., Gallagher J., Moore J., Nimmo J., and Commissioner Winter. Of these five, four—Kirby C. J., Gallagher J., Moore J., and Commissioner Winter—made up the Bench which pronounced the 1967 total wage judgment. There was only one Judge (Nimmo J.) who had participated in the 1964 total wage case but not in the 1967 one. In 1964, Gallagher J. said: "The case for the retention of the basic wage is beyond argument. The application should be refused." What happened between 1964 and 1967 to cause the somersault in his opinion? Similarly, what happened between 1964 and 1967 to influence Kirby C. J., Moore J., and Commissioner Winter to somersault on statements which they made collectively in 1964, such as these?:

The role of the Commission was to prevent and settle industrial
disputes and the Commission was neither an economic planning body nor a national commission dealing with all types of income or even all wages and salaries.

The total wage proposal could not be applied by the Commission in a community where there was no consideration of incomes overall and no overall authoritative control of prices.

The Commission not only did not fix all incomes but did not even fix all wages and salaries . . . It could not cause the (total wage) theory to work in Australia in the way suggested by the employers . . .

Application of a total wage would reduce the flexibility of wage fixation and, in particular, wage fixation by the Commission.

Implementation of the employers' theory would prevent the Commission from increasing wages even when the wages would not be just and reasonable unless increased.

Those 1964 factors on which the Commonwealth Commission refused to end the basic wage and marginal rates are as valid now as they were then. Indeed, with price inflation (now inbuilt in the Australian economy) and growing poverty among sizeable sections of lower-paid workers, they are even more potent today. Yet the Commission in 1967 abandons considerations which it found decisive in 1964.

The abolition of the Federal basic wages and marginal rates and their replacement by a total wage was greeted with glee by employers and the Commonwealth Government. Reasons for this are plain.

When the weekly wage under Federal awards was divided into a basic wage and margin (as has been the case up to now), it was possible for the trade unions to organise national campaigns to bring together many sections of workers around the need for increases in both the basic wage and margins.

Entry of the Australian Council of Salaried and Professional Associations into national campaigns from 1956 on brought new qualities of freshness, vigor and colorful publicity into the trade union movement.

In the past, submissions were made to national wage hearings on behalf of pensioners and fixed-income earners. The need for a modern basic wage to meet developing social needs had been shown and the monopolies' use of price inflation as a method of cutting real wages and lifting profits had been exposed.

All this activity had made it possible to get national wage and margin hearings out of the cloistered precincts of arbitration tri-
bunals and into the public domain, where they should be, and some improvements in living standards were won on occasions. This joint and spreading activity by the blue collar, white collar and no collar workers had an impact even on the conservative leadership of the Australian Council of Trade Unions. Fear of this development was one reason for employers’ fervor for a change to a total wage, and one reason for their joy now at the Commission’s decision.

Now there will be yearly economic review—of what and how is not clear—and work value hearings conducted industry by industry and by individual groups of unions, with whatever amount can be won in an industry remaining unchanged until a change can be shown in the value of the work. The new wage fixing policies of the Commonwealth Arbitration Commission are designed, under existing ground rules, to cut across joint actions by workers, and to stir up jealousies between those in different industries and those at different ends of the pay scale. Australian trade unionists have rightly been critical of the wage restraint policy imposed on British workers by the Wilson Labor Government. Some unionists have said it couldn’t happen here. Can’t it?

In a period of capitalist expansion, such as now, the trade unions could have a decided advantage in bargaining around wage rates. This is why tradesmen particularly have been able to establish over-award areas in some States and many award marginal rates are higher—for example, in Western Australia, the A.C.T., Victoria and Queensland. This also is why the Commonwealth Government, which acts on behalf of monopoly capitalism, and the compulsory arbitration system which capitalism—and not the Labor Party, as believed by many—initiated early this century, have once more rushed to the help of the employers, this time by adopting a new wage fashion—the total wage.

In advocating a total wage, employers were not just seeking to simplify methods of wage determination, as some commentators have suggested. What they were really after was a more effective method of wage control, with the aim of limiting wage increases and restricting the campaigns and struggles of the trade unions on wages. They believe, and with good reason, that the total wage will operate to the advantage of the employers and to the disadvantage of the trade unions. Wages will be more effectively controlled but there will be no controls over prices or profits.

It must be said frankly that monopoly capitalism in Australia—increasingly subject to domination by foreign monopoly eco-
nomic and other influences—has crept up on the Australian trade union movement and is dealing it some heavy blows.

This has been aided by the temporary triumph of rightwing "don't rock the boat" policies in the leadership of the ACTU, the extreme conservativism of the Establishment, and the failure of the trade unions (with some notable exceptions) to take the fight for economic and social needs to the monopolies, and also to (as very large employers) the Governments.

The main content of any wage restraint, wage freeze, guidelines or income policy—call it what you like—is to effect a redistribution of income in the interests of monopoly capitalism by rigidly controlling wages while allowing profits and prices to rise. If in the course of this the trade union movement can be fragmented and a policy of go it alone encouraged, then so much the better for monopoly capitalism.

As against the incomes policy now being imposed on wage workers and many salary earners, and the unceasing manipulation of increase in the cost of goods and services, the trade unions must raise and fight strongly for policies based on a redistribution of income in their favor. The situation is favorable for this and for public demonstrations against price rises and the mounting adverse effect which war expenditure has on wages, social services, public works and employment.

Over the past few years, as now, many trade union officials, including officials of the ACTU, have raised collective bargaining as an alternative to compulsory arbitration, its attendant penal provisions, and its record of nearly always coming down on the side of big capital. Collective bargaining implies direct negotiations with employers at the levels of industry, group, State and national, with union claims backed by the full strength of the trade unions and their members. But to negotiate direct and be successful surely demands the further and faster strengthening of trade unions through amalgamations and the building of industrial unions.

Other necessary measures to overcome the aims and effects of the total wage decision include:

Industry claims—whether based on work value cases under Federal awards, or on marginal rates under State awards maintaining that concept—to be co-ordinated and, if possible, to be lifted to national claims.

Campaigning should continue and be greatly extended around the demand for a family living wage, based fully on needs and
not on phoney "capacity of the economy to pay" formulas. Trade unions should insist that they have the right at any time to make submissions to Industrial Tribunals for a family living wage.

If the ACTU is to hold the respect of unionists, it must do the job its founders intended and lead workers together to win substantial improvements in wages, working hours, leave of all types and other social needs.

Strong industry-based unions are essential in this age of monopoly control, mechanisation of a high order and developing automation—a period which raises so sharply the need to break the political power of the monopolies, whose course is grimly demonstrated by the Vietnam war and the current attacks on living standards.

This article, while not making radically new proposals on the matters raised—tactically the trade unions are still battling to hold much of the old wage policy, and should be supported on this—implies strongly that the trade union movement has reached the crossroads on policy on wages. *Left Review* could do the labor movement a valuable service by inviting Labor Party members, Communists and others of the Left, concerned with this, to develop in its pages their views on this important and urgent matter.

TAKING BIRTH before our eyes, we see the conditions for the full development of a new subjectivity, of a new humanism, arise. This humanism is fundamentally different from that of the 17th and 18th centuries, founded on the illusion of an eternal "essence" or "nature" of man, an abstract and mystifying humanism. The humanism of our age is carried completely by history: by the very development of productive forces, by the demand inherent in this same development for the break up of the old production relations and the old forms of the State. This new subjectivity is fundamentally different from the existential subject for it is historical and social, through and through.