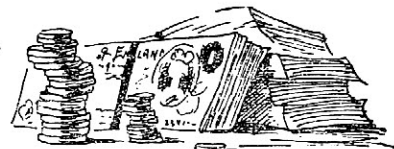


# Fair Wages:

## *Must we rely on a panel of experts?*

B. W. BROOKES



I WELL REMEMBER the excitement and controversy that boiled up in my Army unit late in 1940 over the compilation of the new leave list. Leave was being resumed after a long period of cancellation and for many weeks argument went on about what was the fair way to draw up the list showing who would go and when. There were no records of when the men last had leave and it was not much use asking them; in a matter as sensitive as leave, memories were not to be relied upon. Eventually the Sgt. Major stopped all debate in its tracks by issuing the "Official Leave List" which he commended to us with the words "I know it's fair because I've worked it out myself."

Now whether there was some distrust of Sgt. Majors generally, or of our one in particular, I do not recall. Perhaps doubts about the fairness of the list arose because, under its provisions, the Sgt. Major himself was one of the two men whose leave would encompass the coming Christmas. In any event his assurance that the list was fair was not found generally acceptable. Indeed there were a number of suggestions about what the Sgt. Major could do with his list, particularly those in the later half of it. However, I recall with some pride that I was not one of the trouble-makers. I was one of the few who accepted the list as impeccably fair and I was very relieved when, after a few of the barrack-room lawyers had been charged and sentenced, the list was duly implemented. It just shows that the conception of what is fair tends to vary with the point of view. My own

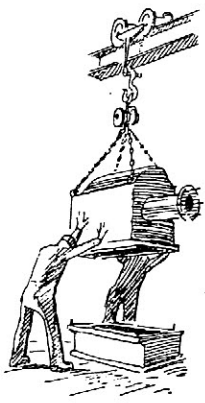
attitude, even, may have been marginally affected by the fact that I was the other bloke going off for Christmas.

This incident from nearly thirty five years ago was brought to my mind by the previous Government's burning pre-occupation with what is "fair", particularly when it is a matter of telling our employers what wages and salaries they should pay us. Every stage of that Government's incomes policy was presented to the nation as if "fairness" were something to be brought by relief trains to starving peasants. Mr. Heath took "fairness and reason" almost as his own personal slogan and insisted that the offer to the miners was both "generous and fair". Yet Mr. Gormley condemned the offer as both unfair and unreasonable; and Mr. Buckton has rejected what the Railways Board considered to be the fairest of fair offers. There seems no doubt that, just like my old Sgt. Major's leave list, the fairness of any offer of wages varies according to the eye of the beholder. Or as the Pay Board themselves have put it in their report on "Relativities":

"... people's views of the fairness of their pay in relation to that of others frequently lead to changes or pressures for changes in wage levels, and these may conflict with the operation of market forces. Fairness itself can be interpreted in many ways; it is not only subjective but its meaning is liable to change over time with changing circumstances."

In the days before the wet blanket of government

incomes policy smothered the freedom of employer and employee to agree between themselves on what was a fair day's pay for a fair day's work, the "market forces", to which the Boards refer, acted like a geiger counter, giving employers a prompt and precise read-



ing of what was the fair wage for a job. If, for example, an employer offered £20 a week for the services of a typist, regarding this as a fair offer, but found no queue of applicants vying for the chance to tap the vacant keyboard, he would have a good indication of what the local young ladies felt about his judgement of fairness. Raising the ante to £25 might, perhaps, still leave most of them unmoved but if it were to entice just a few en-

quiries — even if only to ask about the luncheon vouchers and the holiday arrangements — then fairness might be coming a little nearer. In this practical fashion the fairness of a wage is put to the test and the conflicting subjective views brought into compatibility.

Certainly the fixing of the wages of any group of people, be they miners, train drivers, teachers or any other occupation, is more than a matter of some exalted authority deciding what, in their view, is fair. The best brains in the land may get together and decide what the fair wage for a miner should be, but if the sum they decide upon is not sufficient to attract suitable people into the mines then all that brain-power would have been wasted. There is no mechanism, no Pay Board, no Weights and Measures man, no electronic computer that can determine what wages are "right" for all the multifarious occupations that exist. The task of saying how the pay of a miner should compare with that of a teacher or secretary, or of a docker to a North Sea oil rigger or a sagger-maker's bottom knocker — to their individual satisfactions — is quite beyond the capability of any human agency — except the one that includes you and me and everyone else, the vast human computer which we call the "market".

What it amounts to is that the level of wages in any occupation responds to market forces just like the price of goods. Pitch that level too low, whether in the name of fairness or anything else, and there will be a shortage as potential recruits look elsewhere. Raise it sufficiently and you may begin to attract those who have hitherto given you the cold shoulder.

The effect of maintaining wages at too low a level is seen all too clearly in some of our public services where the employing monopoly of the Government has led to a holding-down of wages with consequent

staff shortages, discontent and low standards. Anyone who travels by train knows the truth of this; and anyone in touch with his local school will know of the dissatisfaction, disillusionment and burning resentment that now consumes the country's teachers. Low pay has led many of them to quit teaching for better-paid jobs elsewhere and as schools become understaffed so heavier burdens are thrown on the teachers that remain. The sense of being overworked and underpaid, of having been "conned" into joining an exploited profession, now preoccupies even the most dedicated of teachers.

The wage-earner's freedom to negotiate his wages with his employer does not seem a very extreme right to demand in a free country; but it did not exist in the Tory-ruled Britain of February 1974. According to the *Sunday Times* of 3rd February, the then government intended to maintain its prices and incomes legislation for the foreseeable future and it now seems that such legislation will become a permanent feature of the policies of future governments, at least while it enables them to enjoy the cake of monetary inflation without suffering the stomach pains of its economic consequences.

To fix wages according to the subjective judgements of governments or government bodies without regard to the working of the market is like trying to run a space-ship without its command module. Or perhaps we can liken it to those "panels of experts" who "decide" the results of football matches when the weather is too bad for play. The greatest brains in the land can be brought to bear but no one pretends that their conclusions can be anything like the real thing.

So it is with wages. If the present arbitrary controls set the shape of things to come we shall be adjured to set aside the working of the market, with its constant regulation of supply and demand, and rely entirely on someone's concept of fairness. And this will doubtless vary in its effects according to which Sgt. Major sits in No. 10 Downing Street.