

Condemning the Wage Freeze

ABOUT ONE HUNDRED PEOPLE attended a public meeting held at the Caxton Hall, London, on September 12, to discuss the "Wages Freeze and the Alternative."

From the platform, Mr. S. W. Alexander, one time financial editor of the Beaverbook Press, quoted the *New Statesman* as saying that free wage bargaining and market fixing of prices had gone for good.

Mr. Alexander referred to the decline in the earnings of British shipping. This, he said, was the direct result of the protectionist policy pursued since 1915. Our shipping fleet was still contracting. In a few years time Britain might be dependent on foreign ships for transportation of her vital imports. Only a policy of free trade could reverse this trend.

Mr. Christopher Frere Smith said that people do not question authority any more. Some people he had met were amazed that he was opposed to the wage freeze; they assumed that everybody was in favour of it.

The government of a so-called democracy had taken unprecedented powers to control the economy. A parallel that came to mind was Italy under Mussolini. The taking of compulsory powers for wage and price fixing was a complete about-turn by the Government in a matter of weeks. The root cause of our economic troubles, said Mr. Frere Smith, was excessive government expenditure. This must be cut.

For how much longer are these "backs to the wall" appeals for national effort to go on? asked Dr. Roy Douglas, the next speaker. "The present economic troubles are the result of politicians' mistakes in the past. They are not *our* fault. National Plans never work. Even the planners themselves don't pretend that they do. And anyway, who *are* the planners, these experts who are going to fix for us the wages of labour and the prices of commodities? Has anyone ever met one?"

Let us not be misled, said Dr. Douglas, into thinking that a planned economy results in a fair deal for all. It doesn't. Those with the biggest elbows get what they want. The others get nothing. The biggest holes in the wages policy were made by the M.P.s themselves and the doctors.

The main cause of our economic troubles, said Dr. Douglas, was government dishonesty. The Government was living beyond its means—in effect issuing dud cheques

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at the rate of £3 per second day and night. This sort of activity would land anyone else in gaol.

The free trade message was liberty and honesty. Britain must go free trade or suffer the consequences.

Sir John Wedgwood, Bt., said there were two other countries in the world similarly placed, economically, to Britain, in that they were completely dependent on imported raw materials and the export of manufactured goods. They were Switzerland and Japan. In contrast to Britain, which with its surcharge has the highest tariff rate of any country in the world, both Switzerland and Japan have a low tariff policy. They prosper by manufacturing from raw materials bought in the cheapest markets. Contrary to general opinion, Japan is not a low wage country. The general wage level there is rapidly approaching our own.

In the 1930s, said Sir John, both Coventry, based on the car industry, and Stoke-on-Trent, based on pottery, suffered heavy unemployment. The car industry was given a 30 per cent. *ad valorem* tariff, the pottery industry a fixed tariff of so many shillings per ton. Over the years the car tariff has remained the same, but the fall in the value of money has reduced the tariff on pottery from the equivalent of about 40 per cent. *ad valorem* to about 8 per cent., yet it is the pottery industry, and not the car industry, that has been the more successful in meeting foreign competition.

Mr. W. Newton Jones, who was chairman of the meeting, referred to the European Free Trade Area as proof that freedom works. The balance of payments deficit, he said, was the result of excessive overseas spending by the government—eighty times the amount spent thirty years ago.

LIBERAL ASSEMBLY

The proceedings of the Liberal Assembly must astonish anyone reading a dictionary definition of a Liberal as "one who advocates greater freedom in political institutions."

Sir Henry Campbell-Bannerman, shortly before the great Liberal electoral victory in 1906, declared: "Our policy is the policy of freedom; freedom in all things affecting the life of the individual; freedom of trade, internal as well as external; freedom of the individual to develop to the fullest extent possible the talent endowed in him or her by nature, and freedom to reap the fruits of those faculties without parasitic toll levied thereon by privileged forces set up by the State."

Surely the present Liberal leaders should ask themselves whether it is honest to retain the title. I would suggest the word "Progressive," as it is virtually meaningless, as a more appropriate label.

—Letter by F. DUPUIS in
The Daily Telegraph, September 29