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# Workers, Wages, and Controls

by Leo Panitch

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## The Anti-Inflation Programme and Its Implications for Canadian Workers

by Leo Panitch

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Leo Panitch is active in the Ottawa Committee for Labour Action. He teaches at Carleton University in the Political Science Department. He is about to have a book published on incomes policy in Britain. The book, titled Social Democracy and Industrial Militancy: The Labour Party, the Trade Unions and Incomes Policy, will be released in February 1976 by Cambridge Press in England.

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# WORKERS,

# WAGES,

# AND CONTROLS

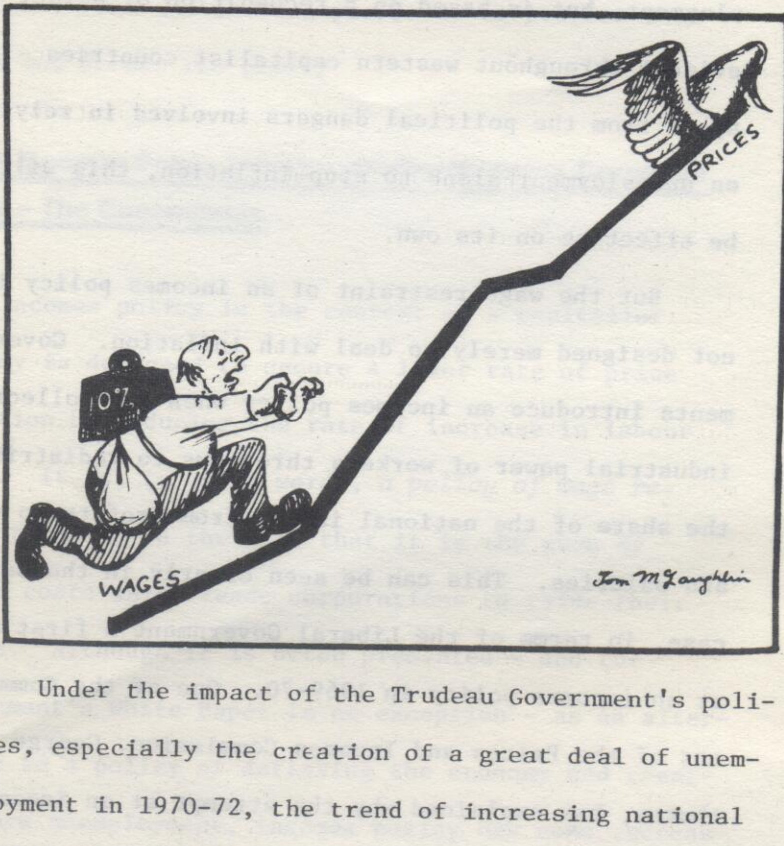
Canadian working people have now joined the ranks of workers in other western capitalist countries who have been subjected to a statutory incomes policy. The Liberal Government's "anti-inflation" programme seeks to cut back the rate of wage increases being won by Canadian workers by imposing new limits on the bargaining freedom of unions. The situation is a grave one, implying as it does a governmental decision to use authoritarian measures to reverse the limited rights Canadian working people have struggled for to improve their lot in this unequal society. The Government is telling us, in the words of crude power politics, that they are making us an offer we can't refuse: "We'll put a few union leaders in jail for three years and others will get the message," the Prime Minister mockingly told a radio interviewer on October 26th. The message is indeed clear: We are being asked to cut off our own heads, or the Government will cut them off for us.

The questions that have to be answered in this situation are many. What exactly is an incomes policy? Why has the Government introduced one at this time? What are the specific provisions of this Government's incomes policy? What coercive powers is the government taking to enforce this policy? Most important perhaps, what can unions and working people do to protect themselves and defeat the policy?

## Why an Incomes Policy: Inflation, Worker Militancy, Corporate Profits – The Connections

Incomes policy in the context of a capitalist economy is designed to secure a lower rate of price inflation by reducing the rate of increase in labour costs. It is, in other words, *a policy of wage restraint,* based on the view that it is the push of labour costs which leads corporations to raise their prices. Although it is often presented - and the Government's White Paper is no exception - as an alternative to a policy of deflating the economy and creating more unemployment, incomes policy has come increasingly to *accompany* high rates of unemployment and cuts in government spending on social service designed to induce deflation. At the same time as the wage restraint legislation is going through the House of Commons, so is the Unemployment Insurance Bill, where the Government is redefining the *normal* rate of unemployment as 5.6% rather than 4%. The incomes policy is not designed to *reduce* our current high rate of unemployment, but is based on a recognition of a fact - evident throughout western capitalist countries - that, apart from the political dangers involved in relying on unemployment alone to stop inflation, this will not be effective on its own.

But the wage restraint of an incomes policy is not designed merely to deal with inflation. Governments introduce an incomes policy when the collective industrial power of workers threatens to redistribute the share of the national income from profits to wages and salaries. This can be seen clearly in the Canadian case, in terms of the Liberal Government's first attempt at an incomes policy in 1969-70. One of the Commissioners of the Prices and Incomes Commission, George Haythorne, has explained why the attempt at an incomes policy was made at that time: "From 1957 to 1963 the share of Canada's national income going to profits and capital had risen steadily. The situation was reversed in 1964 when labour's share began to rise, a trend which continued until 1970. Give these conditions ... action to stabilise the economy was clearly required." ("Prices and Incomes Policy: the Canadian Experience 1969-72", International Labour Review, Vol. 108, No. 6, Dec. 1973).




Under the impact of the Trudeau Government's policies, especially the creation of a great deal of unemployment in 1970-72, the trend of increasing national income going to labour was indeed reversed. The percentage of the national income accounted for by wages and salaries fell from 72.8% in 1970 to 67.0% in the first half of 1974, while big business profits and interest shot up from 17.0% in 1970 to 22.3% in 1974 (see appendix two). Since the middle of last year however, the picture has changed. Labour's share increased to 69.4% by the end of 1974 and by the middle of this year rose to 70.8% while big business profits and interest fell to 21.1% by the end of 1974 and to 20.1% by the middle of this year. This shift, which has by no means yet carried labour up to the share it had achieved in 1970, has taken place because of an increase in the militancy of workers expressed in high wage demands and increased strikes. The context within which this has occurred is important. Due to the worldwide capitalist recession, and especially the recession in the United States, Canadian corporations have convinced the Government, despite a higher rate of inflation in other countries, they cannot raise their prices to protect their profit margins if they are to remain competitive in the international market. They have convinced the Government of a squeeze on profits, which is not yet particularly marked, but which the Government is apparently determined to prevent from occurring. Hence its new policy of wage restraint.

## What about Price Controls? Or, When the Crunch Comes, Who are the Government's Best Friends...

There is no doubt that a major attraction of an incomes policy is that it promises price control as part of the package. Public opinion polls in Canada as well as elsewhere show that workers are anxious to get off the treadmill of wages chasing higher prices and that many would in fact accept lower wage increases if prices were kept stable. Yet there is generally a major misunderstanding of what the prices aspect of this kind of policy entails. The policy operates directly on wages but only indirectly on prices. That is, the guidelines explicitly say that wages cannot rise above 10% a year, but they do not say that prices cannot rise above a certain figure. Prices may rise to cover increased costs, *whatever those may be*. There is in other words a norm for wages, but no norm for prices established in the policy. Rather than hold down prices and have wages adjust themselves accordingly, the point of the policy is to hold down wages and hope that prices adjust themselves accordingly. The advantage to corporations is clear - they know in advance that their real profits won't decline due to the policy. Workers however have to buy 'a pig in a poke'-- they have to accept a ceiling on their increases to start with *and then* hope and pray that this is enough to cover their increased costs.

Thus the policy is *in principle* unbalanced between prices and wages. *In practice* the situation is in fact much worse. First of all, the policy does not apply to a number of key elements in the cost of living even to the extent of keeping price increases in line with cost increases. Basic food prices, energy prices, interest rates are all exempt as is the cost of land (which in recent years has greatly pushed up the cost of housing, under conditions of a land speculator's dream-come-true). Secondly, for even those prices which are supposed to rise only in relation to costs, the ability (and willingness) of the Government to make this stick is very limited. Whereas wage bargaining takes place out in the open and increases are easy to identify, price decisions take place behind the closed doors of boardrooms, and we only find out about the occurrence *after the fact*. There are in addition many means of fudging costs, especially for the 1500 large corporations the Government is dealing with, who each can employ as many high powered accountants for this purpose as will be available to the Anti-Inflation Board. The American multinational corporations that dominate the Canadian economy can easily increase the prices they charge to their Canadian subsidiaries for intermediary goods and thereby take their profits in the U.S.

The Government has suggested that it will ease its price monitoring task by asking that it be notified of a limited number of price increases, for examination, before they take effect. We have yet to be told what items this will cover or how the Anti-Inflation Board, given its small size, will be able to adequately investigate corporate intentions in this regard. What we may in fact expect is indicated by the British experience where a similar notification policy operated from July 1967 to June 1970. Despite the Government's own estimate of *3 million* price changes a year taking place in Britain at the time, only 2,162 price change notifications were received by the Government over the whole three year period, and of these 1,807 were accepted as notified. This meant that out of 9 million price changes the Government price control machinery either modified or rejected a grand total of *345* or 0.0004% (see Leo Panitch, <u>Social Democracy and Industrial Mili-</u>

ments to obtain capital on the stock market, but also because dividend payments could be paid out to the owners of corporations after the policy ends. A dividend payment may be deferred in other words, but a wage increase foregone is gone forever. What this suggests in practice is therefore much worse than the freezing of the distribution of income that the guidelines offer in theory. It suggests a redistribution of income *toward the rich and powerful*. We might quote in this context a newspaper report from Timmins, Ontario on June 28, 1974, during the last election campaign:

"Prime Minister Pierre Trudeau maintained his onslaught on Conservative prices and incomes restraint policies before a large noon-hour crowd here yesterday.

"Mr Trudeau said the proposed ninety day freeze, followed by up to two years of controls, would take vast numbers of bureaucrats to administer. Even then, it wouldn't work he said:

'You can't freeze executive salaries and dividends because there are too many loopholes to squeeze through.'

"Mr. Trudeau said Conservative leader Robert Stanfield had already said he would not freeze the prices of farm produce and fish. He could not freeze the prices of U.S. imports or Arab oil, and he admitted he would exempt housing prices.

'So what's he going to freeze?' Mr. Trudeau shouted, 'Your wages. He's going to freeze your wages.' " (quoted in the Toronto Star, October 28th, 1975) workers' *real incomes* even including the 2% for productivity will fall by 1.3%, and they will get no share of the growth in output of the economy. It is only those workers who can make a catch-up case and obtain an additional 2% allowed by the guidelines, who will keep their heads above water at all. Those workers who managed to obtain real wage increases in the past, on the other hand, may find their future increases *cut* by 2%, leaving them with an 8% increase at best, *including* the productivity provision. If the rate of inflation doesn't improve - they will suffer a real wage cut of over 3%.

## Incomes Policy and the Distribution of Wealth: The Rich Get Richer and the Poor Get... You Guessed It...

There are some who believe that an incomes policy is designed to benefit the worst-off people in our society. They could not be more wrong. In its most general sense, the policy is designed not to redistribute income but to *freeze* the present distribution of income, since everyone is to get the same percentage increase whether their income is high or low. In a society as unequal as Canada's this means *freezing* a situation in which the top twenty percent of income recipients get about 50% of the total income, while the bottom 20% get only 2%, indeed the top 40% of individuals get 75% of the annual national pie, leaving the rest of us, the majority of the population with only the crumbs. (1971 data from Statistics Canada, Perspectives Canada, 1975, Table 7.3, page 156). To be sure, the Government provided a minor amendment to this freeze, allowing those workers with incomes below $6,000 a year to get as much as $600, while limiting those earning over $24,000 a year to a maximum increase of $2,400. Under the heavy criticism the policy was faced with when it was introduced, the Government said it would go further and allow increases which would bring low paid workers up to $3.50 an hour (or $7,280 a year) even if this involved more than a 10% increase. It is on this basis that the policy is supposed to benefit the lowest paid. This gesture would be laughable if the situation were not so sad. If the Government really intended to benefit the low paid, it would give them $2,400 and give those earning over $24,000 only $600. In addition a few other points should be made. First of all, the $600 (or $3.50 an hour) is not a guarantee of this amount but rather "permission" to get it. This is very nice until one remembers that workers earning wages under $7,280 don't necessarily have the power to get an increase that size. If you are poorly organized or unorganized, if you are working in a low profit and low productivity industry, the Government may allow you to get a $6 million increase but that will do you no good. The most amazing

part of this, is that the Government is suggesting to better paid workers that if they hold back on their increases, the lower paid workers can move ahead. Nothing could be more ludicrous. If workers in the higher paid industries accept the call to restrain their increases, does the money saved in these industries become transferred to workers in low paying jobs? Does the Government possess the means to transfer profits from, say, the car industry to subsidize low pay in, say, the textile industry? Even if the low paid workers submitted larger claims than the rest and they were endorsed by the board, the employers of the low paid would not be able to meet these claims unless the industry in question was also a high profit industry, which of course, many are not.

The situation is worse for public employees. The average annual increase for members of the Public Service Alliance of Canada between 1967 and 1974 was only 7% a year, while the average increase for all industries over this same period was 9%. This means that federal public employees are already getting a smaller share of the national income and the incomes policy is likely to exacerbate this situation. For the operation of incomes policies in other countries has shown that public employees are always the most strictly controlled, and are chosen by the government to set an example for the rest of the economy. Even in the case of its lowest paid workers, governments do not act in fear of upsetting "comparability" with private industry.

There is only one main way in which low paid workers obtain better wages in the existing society, and governmental "permission" to get higher increases has nothing to do with it. It is for low paid workers to follow a breakthrough made by a stronger and better organized group of workers. The incomes policy is designed to prevent this. If better paid workers really want to help low paid workers the way to do it is not to follow the Government's advice, and restrain their wage increases, but to fight the incomes policy and offer low paid workers their experience in organizing effectively.

But if low paid workers are unlikely to do better under the incomes policy, it is precisely those at the other end of the scale who are likely to benefit most. Professional fees, executive salaries, board of directors payments cannot be controlled because these people set their own incomes. The Government's promise to restrain dividend increases is worthless not only because the guidelines allow companies to increase dividend payments to obtain capital on the stock market, but also because dividend payments could be paid out to the owners of corporations after the policy ends. A dividend payment may be deferred in other words, but a wage increase foregone is gone forever. What this suggests in practice is therefore much worse than the freezing of the distribution of income that the guidelines offer in theory. It suggests a redistribution of income *toward the rich and powerful.* We might quote in this context a newspaper report from Timmins, Ontario on June 28, 1974, during the last election campaign:

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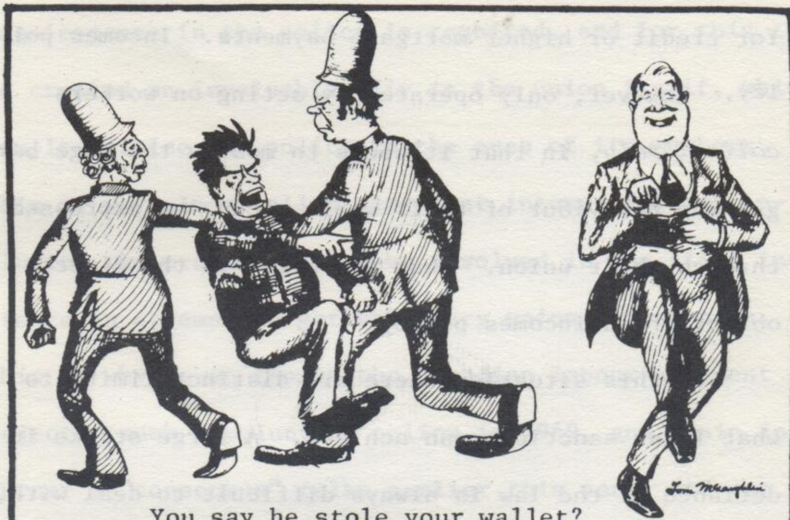
## Penalties for Contravening the Wage Restraint Policy

The Government is backing up this wage restraint policy with considerable legal powers. The Anti-Inflation Board (see Appendix one) will be able to examine any agreement, concluded or pending, and decide what the permissible increase is. If the Board can't get its report accepted "voluntarily" by the parties, or if the Cabinet decides to act against a wage claim even without a board report, the Government's "Administrator" may make an order prohibiting anyone from contravening the guidelines. He may require either an employer or a group of workers to pay to the Government a fine equal to the amount they received in excess of the guidelines and may even apply an additional fine of up to 25% of this amount if he feels the guidelines were contravened "knowingly". If the order of the Administrator is not complied with by an employer, a union, or an unofficial group of workers, they may be subject to a fine, on summary conviction, of up to $10,000 and two years imprisonment, or on conviction on indictment, to an unlimited fine of not less than $10,000 and five years imprisonment.




You say he stole your wallet?
Very well, we arrest you as an accomplice.

## Collective Action: The Workers' Most Effective Weapon against Incomes Policy

These are harsh penalties to go with a harsh and unjust policy, but they do not guarantee that the policy will in fact work. This is because wage restraint affects workers not as individuals but in their collective capacity as members of unions. When the Government increases taxation, the worker faces the state on his own, as the increased taxes are collected by deduction from his pay slip, or indirectly via a sales tax added to the price of goods in the stores. Similarly when the Government increases interest rates, the individual worker and his family are on their own in paying more for credit or higher mortgage payments. Incomes policy, however, only operates by acting on workers *collectively*, in that it seeks to modify the wage bargaining behaviour of their whole group, as expressed through their union. Thus the union is the direct object of an incomes policy.

In this situation there are distinct limits to what legal sanctions can achieve. A large strike in defiance of the law is always difficult to deal with, and fining or jailing strike leaders does not guarantee the end of a strike nor prevent the emergence of sympathy strikes. Moreover, the whole field of collective bargaining, even that involving the top 1,500 employers in the country, is very difficult to police. If no one pays attention to the policy, if workers don't police themselves, the laws against breaking the policy will be as generally effective as laws against jaywalking are. The alternative is for the government either to vastly expand its administrative and police machinery or to begin to deny Canadians basic political freedoms such as the right to free association, free speech, and even the slightest resemblance of free collective bargaining. In other words, in order for legal sanctions to operate effectively, at least mass worker acquiescence in the policy is required, and for this to be created an invaluable ally is the union itself, which can legitimize the policy in the eyes of its members. This is why almost all attempts at incomes policy, including the present one, have involved in the first instance an attempt to get voluntary union cooperation. This is why, even though the Canadian labour movement rejected such a voluntary policy in 1969, and again in Turner's "consensus" talks earlier this year, and yet again when this policy was announced, the Government is still trying to get union cooperation.

The Government strives for union cooperation because it wants the unions to be the agent of control, applying the policy to its own members. The government seeks to get unions to do this by appealing to a common interest between workers and employers, by stressing an ideology of harmony between labour and capital. But in a society such as ours there is no fundamental harmony between labour and capital; there is an underlying conflict between employers and workers which lies at the heart of every wage negotiation. The union is created to be the representative of workers in that conflict, but what an incomes policy seeks to do is to employees are always the most strictly controlled, and are chosen by the government to set an example for the rest of the economy. Even in the case of its lowest paid workers, governments do not act in fear of upsetting "comparability" with private industry.

There is only one main way in which low paid workers obtain better wages in the existing society, and governmental "permission" to get higher increases has nothing to do with it. It is for low paid workers to follow a breakthrough made by a stronger and better organized group of workers. The incomes policy is designed to prevent this. If better paid workers really want to help low paid workers the way to do it is not to follow the Government's advice, and restrain their wage increases, but to fight the incomes policy and offer low paid workers their experience in organizing effectively.

But if low paid workers are unlikely to do better under the incomes policy, it is precisely those at the other end of the scale who are likely to benefit most. Professional fees, executive salaries, board of directors payments cannot be controlled because these people set their own incomes. The Government's promise to restrain dividend increases is worthless not only because the guidelines allow companies to increase dividend pay-

The underlying conflict that exists between employers and employees does not go away under an incomes policy, however; indeed that conflict is intensified. And it is always unions, the direct object of the policy, which first begin to bear the brunt of workers' dissatisfaction. This is inevitable since workers can do little about the political system, in an immediate sense, but can have a real and immediate influence on their unions. The discontent that boils up in the unions due to wage restraint is just beginning to be seen now in the United States. It has been seen very clearly in Britain, where the only times in which union membership has fallen since 1945 were during the two periods when unions cooperated in an incomes policy, in 1948-50 and 1966-67; the decrease was 2% in the latter period. Together with this effect on membership, British unions experienced an increased number of unofficial strikes and the defeat of union leaders who went along with the policy at union conferences. This led to a new and more militant union leadership which not only verbally opposed the incomes policy but led their membership in strike action against it and in the process reversed the wage losses experienced earlier. This in turn led to a tremendous increase in union membership, and finally defeat for the incomes policy. (It should be noted in this connection that no parliamentary government in the West that has introduced a compulsory wage freeze has been reelected in the subsequent election, although the emptiness of these purely electoral victories was usually seen when the parties that won these elections themselves turned around and introduced incomes policies under pressure from business groups.)

## Canadian Workers: A Call to Action

The implications of the experience elsewhere is suggestive for the threat that Canadian workers now face. Unions and workers must be made aware--and bring this point home to their employers--that wage demands and agreements above the guidelines are not of themselves illegal. The exceptions allowed for in the policy--higher wages to hold workers or attract new ones, the comparability clause, the exception for fringe increases for health and safety, or the elimination of 'restrictive practices'--all leave the Board and the Government with a large task of interpretation in any particular case. This must be played to the hilt, not in the sense of going to the Board "cap in hand" for special consideration, but in the sense of realizing how difficult it will be for the Government to prove that anyone "knowingly" ignored the guidelines in most cases. Similarly, unions should give as little cooperation to the Board as possible. Under the voluntary incomes policy of 1969-72, the unions officially opposed the policy, but cooperated with the Prices and Incomes Commission on the 15 wage cases it examined. As the Commission itself noted, this permitted it to examine more cases than it otherwise could have done.

The Canadian Labour Congress has refused to endorse the incomes policy or anyone on the Board, and has put forward a ten point programme which calls for cheaper housing, higher old age pensions, full employment policies, regulation of oil and gas prices and supervision of corporations, to ensure that the money saved on wage restraint is in fact invested to create jobs. This shows the CLC's concern but it does not go far enough and implies that with a few changes the CLC might endorse wage restraint. Donald MacDonald, the Minister of Finance, has suggested the union leadership is opposing the policy in public but supporting it in private. While this kind of statement may be designed to split the labour movement there is little evidence for this yet apart from Joe Morris' statement at first that the law would be obeyed and that the CLC's special fund established to fight the policy would not be used for strike support. This statement seems to have been retracted, but the danger remains, partly because some union leaders and especially some misguided New Democrats seem to believe that with a few touches the incomes policy can be changed from a capitalist policy to a socialist one. A little rent control here, a bit more price control there, and we will have turned one of the ugly sisters into Cinderella. What must be understood, however, is that an incomes policy has nothing to do with equality or economic planning nor, simply because the Government intervenes in the economy, does this mean that its action is somehow "socialist". The incomes policy does not seek to replace the capitalist market economy, but rather puts a lid on the market, primarily the labour market in order to back the employers' resistance to wage demands with the strength of the state.

If the Canadian labour movement does not undertake a militant response to the incomes policy; if it does not mobilize itself to take collective action against the application of the policy to any one group of workers; if the CLC limits itself to some sort of vague educational campaign which politely criticizes the policy; if the CLC does not lead demonstrations, withdraw from Government boards, and provide aid to strikers against the policy, Canadian workers will not only suffer a loss of real wages, they will find their union organizations seriously disrupted and weakened by the policy. The capitalists have embarked on a policy of political confrontation with Canadian workers and are attempting to impose unprecedented restraints on their freedoms. The labour movement will have to respond *politically* as well as with tactics and strategies that are also new and unconventional. If the confrontation is not met, we shall all lose.

## Appendix One

### The Anti-Inflation Review Board

The Anti-Inflation Review Board is the front line in the Government's program to control inflation. The Board has two purposes. One is to sell the program to Canadian workers. Secondly and much more importantly this Board decides whether a wage increase or a price increase violates the Government's program. When the Board finds a violation it tries to get voluntary compliance from the violator. If this fails the "case" is turned over to the "Administrator" for legal action. The critical point to be aware of is that this Board has the power to determine which wage or price increases will be reviewed, and consequently on whom the "Administrator's" power to fine and jail can be brought to bear. Therefore, it has a lot of discretion. How it is likely to use this power can be seen from the characteristics of its members.

The Anti-Inflation Review Board is highly "inflated" with business connections and corporate power. The Board members between them have held eleven corporate directorships. Jean-Luc Pepin, Board Chairman, appropriately enough headed the list with six of these influential positions. They were:

Power Corporation of Canada Ltd;
Canada Steamship Lines;
Celanese Canada Ltd;
Collins Radio Co. of Canada Ltd;
Westinghouse Canada Ltd;
Bombardier Ltd.

Incidentally, Power, the biggest Canadian Corporate Conglomerate, seems to have other ties with the Liberal Government. Between 1968 and 1972 this powerful corporation received $10 million in federal grants (Ottawa Journal, May 17, 1973). Pepin, who joined the board of Power after losing a safe Liberal seat in 1972, is just part of the close connection between the Liberal Party and the business world. As a past Minister of Industry, Trade and Commerce he was undoubtedly a useful asset in the board room.

William Ladyman, the "Labour" representative on the Board is also no stranger to the board room. A retired member of the International Brotherhood of Electrical Workers, a past vice-president of the CLC, he was reported by the Financial Post to have "a foot in the management camp" when he joined the board of directors of Polymer in 1966. Since then he got the other foot in by becoming a consultant to Great-West Life Assurance Co.; a director of Ontario Housing

Corporation; Member of the Economic Council of Canada and Governor of Queensway General Hospital. By joining the Anti-Inflation Review Board, Ladyman is ignoring the CLC's and other labour leaders' condemnation of the Government's program as only controlling wages. His acceptance of a position on the Anti-Inflation Review Board indicates that he has come all the way over to the management camp.

Other board members, Jack Biddell and Harold Renouf, have enough expertise between them to know that it is impossible to monitor prices, as both are accountants. Renouf is a past governor of the Canadian Tax Foundation, as well as a director of Associated Accounting Firms International, based in New York. Jack Biddell, President of Clarkson Gordon Ltd., an accounting firm, may have no mechanism to control prices, but he has formed some novel ideas about controlling wages. Earlier this year he suggested the government "encourage company and regionally oriented unions" and discourage industry wide bargaining as a way of clamping down on the power of big unions (Maclean's 88 29-31 April 1975). While the logic of Biddell's argument is unclear, his anti-union sentiments are plain as day.

The remaining members of the board are Claude Castonguay and Beryl Plumptre. Both have a long standing association with the Liberal Party. During 1970-73 Castonguay was the Quebec Minister of Health and Social Affairs and was number two man in Bourassa's cabinet. During this period he was the chief architect of the Quebec Pension Plan. He devised the machinery to channel pension funds into grandiose Liberal Party projects such as the James Bay Development. After leaving provincial politics in 1973, Castonguay re-entered the business world as a corporate consultant and picked up a directorship in I.M.A.S.C.O. Ltd. Beryl Plumptre's alliance with the Liberal Party goes back to the 1950's. Through her connections with the Pearson Government she was appointed to numerous public positions. These included director of the Canadian Welfare Council. She also became President and Director of the Government sponsored Consumers Association of Canada, (created by the Department of Consumer and Corporate Affairs). On the basis of that job she became chairperson of the Prices Review Board with a salary of $40,000 a year.

These are the people whom the Government has chosen to sell Canadians the virtues of restraint. That the product to be sold is wage restraint is clear. The final insult is that people like Pepin will be paid $54,000 a year to tell workers earning $10,000 a year to "bite the bullet" and do their part to create the "just society" in Canada.

Canadian workers must demand that the CLC and its component unions stay off the Anti-Inflation Review Board. The token representation of labour on such boards is not designed to facilitate the expression of workers interests. It is intended to separate leaders from the rank and file, and to submerge them in the heady world of corporate power in the hope that they will confuse their own "success" with the success of the labour movement as a whole. Indeed, workers must press the CLC to withdraw its representatives from the other "public" boards on which they sit. The Government is much more likely to listen to the patter of workers feet on the pavement than the measured tones of labour spokespersons in comfortable boardrooms.

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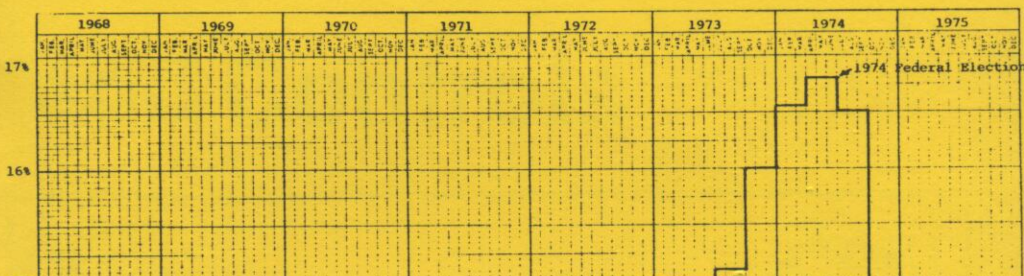
# Appendix Two

## Corporation Profits as a Percentage of National Income 1968-1975, 3rd Quarter



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