

FROM THE CHINESE



EOPLES' REPUBLIC



REARMAMENTS' BITTER FRUITS

J. R. CAMPBELL

THE working class is already tasting the bitter fruits of the rearmament drive and does not like them. So the agenda of the forthcoming Trades Union Congress and Labour Party Conference will be dominated by many resolutions of protest.

Since the last Trades Union Congress the retail price index (which no one believes is a sufficiently serious index of the actual rise in prices) will show an advance of at least 11 per cent. This is the greatest increase in prices in any single year since the war year 1940. Wage rates will probably have advanced by about 8 per cent in the same period, but account has to be taken of the fact that output per worker is 5 per cent above the level of last year. The disparity between the retail price index and the index of wage rates is greater than at any period since June 1947 when both indices came into operation. At the last Trades Union Congress, for example, the index of male wage rates stood at 110, while that of retail prices stood at 114—a disparity of 4 points. This year the index of wage rates will be 119 while the price index will be 127—a gap of 8 points. The gap would be still wider had last year's Congress not scrapped the wage freeze policy and commenced a vigorous offensive for increased wages. The situation is worse when you take the trend over a period. Since 1947 the output per head of the workers in all industries has increased by 33 per cent, while wage rates have fallen behind the rise in retail prices—in other words, real wages have fallen in a period when there has been the most remarkable increase in the productivity of the workers. Social service benefits have suffered most by the rise in prices. Since 1946 when all the present benefits were fixed the cost of living has increased by at least 34 per cent. All social service benefits have remained at the 1946 level except old age pensions, and even there the recent increases do not restore the pensions to the 1946 level in purchasing power. This is the greatest social service cut in our recent history and it has passed virtually unnoticed up till recently.

So there has been the greatest protest amongst the Divisional Labour Parties that has taken place in recent years. 134 of them have placed resolutions on the agenda asking the Government to do something about prices. In some of these resolutions there is, of