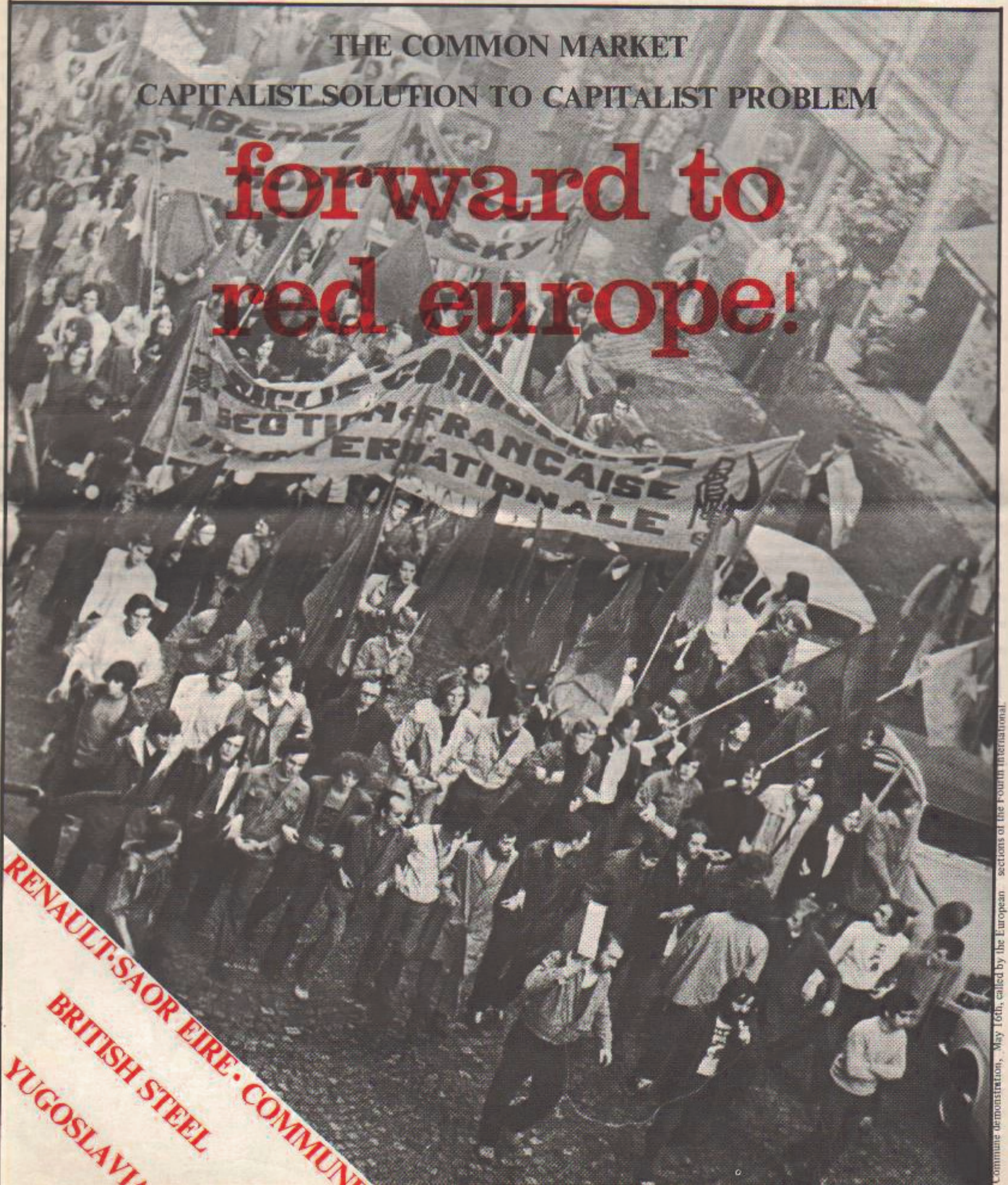


The Red Mole

THE COMMON MARKET
CAPITALIST SOLUTION TO CAPITALIST PROBLEM

forward to
red europe!



RENAULT-SAOR EIRE • COMMUNE
BRITISH STEEL
YUGOSLAVIA

Commune demonstration, May 1968, called by the European sections of the Fourth International.

BRITISH CAPITALISM AND EUROPE

The attempt by British capitalism to enter the European Economic Community has reached a new stage. Undoubtedly the recent International monetary crisis played a part in shifting the attitudes of the French in particular and gaining partial agreements on some of the disputed terms. No one should be surprised if the original terms demanded by the British are substantially modified or abandoned. The British ruling class is in a hurry: as far as it is concerned entry into the Common Market is a make or break business.

The attitude that the labour movement takes to the Common Market is crucial for the success of the manoeuvre. The function of people like Wilson to the bourgeoisie is to deliver the working class at the appropriate moment to the bourgeoisie in support of whatever policy they decide on. During his term of office Wilson was one of the enthusiastic supporters of big capital's European ambitions. His equivocations now do not represent a change of heart. They simply reflect the divisions within the Labour Party itself. In fact, entry into the Common Market is radically opposed to the immediate material and the class interests of the labour movement.

The pro Common market MPs include the most powerful right wing members of the shadow cabinet led by Jenkins, Crosland and Healey. They argue that "the cause of social democracy, world peace and economic advance in both the developed and underdeveloped countries would be strengthened" by entry. Their socialist rhetoric however conceals a policy which can only lead to a severe set back for the labour movement.

A counterlist of 119 MPs published in Tribune hung their opposition round a house of Commons motion which read "...this House believes that entry into the European Community on the terms so far envisaged would be against the interests of the country". What their position lacks is a grain of socialist class opposition. To oppose the Common Market solely on "economist" terms of the cost of living and to talk in terms of the interests of the country rather than the working class misses the whole point of the capitalist class's strategy. It plays into the hands of nationalist flagwavers and undermines workers international co-operation both now and in the future.

A CAPITALIST SOLUTION TO CAPITALIST PROBLEMS

The EEC is a capitalist solution to capitalist problems. It is a response to an intensification of the concentration and centralisation of Capital under the rapid capitalist expansion since 1945, and the increased level of penetration of US capital in Europe. Today the costs of investment are so huge that they cannot be financed within the confines of the national state. The only way that the European bourgeoisies can meet the challenge of American imperialism is by the interpenetration of capital on a European scale. If that process were to be successfully accomplished a supernational European state would begin to take shape. However, the nationalisms of the various European bourgeoisies continually threaten to thwart this process. Now that the long boom years have ended this threat looms larger still. The next period will be the test of the Common Market.

THE BRITISH BOURGEOISIE AND THE MARKET

The British bourgeoisie itself does not have a common interest in going into the market. For many small firms it will undoubtedly mean liquidation. The competitiveness of the average sized firm is at present very much in doubt. As has recently been demonstrated the rate of profit has fallen from 7.9% in 1965 to 3.2% in 1969, a decrease unparalleled in Europe. For these capitalists the attack on the working class through the reduction of the power of the trade unions, cuts in social services, wage freezes etc assumes a paramount importance. The Tory Government will be able to maintain the unity of the bourgeois camp just so long as it can sustain a successful attack on the working class. If it fails, then the fears of some sections of the capitalist class could develop into a movement of opposition to the Common Market. The ideological expression of this tendency is already to hand in the shape of Enoch Powell.

The bankruptcy of the Labour Left lies in the fact that they conceal this essential process. A principled socialist position is always based on the independent interests of the working class. In this situation we neither support the backward-petty bourgeois who fear entry —

that would be a utopian protest against the nature of capital itself — nor do we back the big bourgeoisie in their entry attempts. We fight to raise the consciousness of the working class by advancing positions based on its independent interests.

The Trade Union leadership are equivocating on the Common Market just as they equivocated on the trade union legislation. It is not the objective conditions that have been responsible for a lack of socialist internationalism in Europe but a failure on the part of the bureaucratically led labour movement to live up to its responsibilities.

It is sometimes argued that entry to the Common Market by abolishing national frontiers will automatically lead to a rise in the consciousness of the working class. We should be aware of this type of argument. Working class consciousness will only be raised through independent struggle. If the only alternative posed against the EEC is the purely nationalist solution offered by the labour left national prejudices could be reinforced rather than weakened. A struggle to democratise the organized labour movement in the spirit of socialist internationalism must in the end be the answer to equipping the working class to combat the supernational corporations.

FOR A SOCIALIST ANSWER

The extension of the struggle against the anti-working class policies of the Tory Government onto an international level is the foundation of a socialist answer. The recent Ford strike showed the trend of working class struggle against international companies. What we should call for in the trade unions is for a generalisation and systematic organisation of international links between workers in different countries battling against the same companies. The co-ordination of wages policy against international companies is a minimum step to destroy the international wage differentials within the companies. At the same time we have to demand an international congress of workers' delegates to work out strategy for combating the capitalist offensive internationally.

Above and beyond these tasks there is the question of giving internationalism a real political expression. Here the building of

revolutionary parties and a revolutionary international are crucial tasks. The formation of this revolutionary vanguard is a priority if the objective opportunities for overthrowing European capitalism which will come precisely as a result of its attempt to reconstruct a continental capitalist economy, are not to be missed. The more closely the economies of Europe become integrated, the more these upsurges in the class struggle take on an international character, and the more it will be necessary to respond successively in every country to the situation.

The question of British entry into the Common Market has been on the agenda of European capitalism for more than ten years now. Whatever the urgency with which the Tory government is trying to get into the EEC, it cannot be stressed enough that the British bourgeoisie has approached the question with great reluctance. Faced with a declining market for its exports in the 'Commonwealth' British imperialism is forced to face its industrial competitors in Europe including the Common Market countries. The specific features of the present stage of inter-imperialist competition leave British capital no choice but to seek a solution in the EEC if it hopes to remain as an independent competitor in world capitalism. This is the dilemma of British imperialism and its outcome is by no means a foregone conclusion.

Every hesitation and division within the capitalist class can weaken its chance of success. Since the existence of the EEC national capitalist rivalries have more than once threatened to break up the market. What stops them from breaking out in a bitter struggle is the alternative: a defeat at the hands of the European working class.

Every obstacle the workers can place in their way — by defeating the trade union legislation, the attempt to cut back wages, and the cuts in living standard; by throwing this Tory government out of office; by building international working class co-operation based on a perspective of joint struggle against European capital; by giving life to a truly revolutionary socialist international — is not only a major step towards overthrowing capitalism in Britain, but also a step towards realising that victory in the Socialist United States of Europe.

Ben Joseph

NO THE COMMUNE IS NOT DEAD

"Ce n'est qu'un début: continuons le combat." (This is only the beginning, keep up the struggle). That was the message which thundered out of France in May 1968. Its confident rhythm and defiance set the pulse of the entire international bourgeoisie racing.

Now, just three years later that cry is taken up again by 35,000 European militants, regrouped, organised determined. The occasion was the 100th Anniversary of the first 'beginning', that first taste of workers' power, The Paris Commune.

The demonstration and the meeting before it was organised by the militants of the Ligue Communiste (the french section of the Fourth International) and called in conjunction with Lutte Ouvriere. This demonstration of such size militancy and discipline came at a most apt conjuncture — in the middle of the Renault strike and occupation. (see the article on Renault in this issue for a more detailed exposure of the French C.P. and its partial disintegration). It was a visible sign of an accelerating process in France during the past year and a half — the growth of the Ligue at the expense of the PCF.

Nearly 3,000 militants poured into Paris from the French provinces. Every bus had been stopped at least once by the police. A thousand more from the European sections of the Fourth International swelled the march and gave it a truly internationalist character.

The French bourgeoisie and the French C.P. both did their utmost on the one hand to create difficulties for the organisers, on the other to try to discredit the aims and revolutionary credentials of the militants in the eyes of the masses.

The French C.P. for instance had earlier

leafleted every house on the route of the march advising the inhabitants to lock and bolt their doors because on Sunday a gang of hoodlums would pass that way smashing windows and assaulting old people.

Instead, the march passed off without incident, without one arrest. One thousand 'Service d'Ordre' (stewards), helmeted and armed, protected the route of the march from a threatened fascist counter demonstration, possible agent-provocateurs, and the police. We never saw one policeman the whole afternoon (though they were there in thousands a couple of streets back from the route).

As for the inhabitants of Belleville; not a trace of hostility or fearfulness. The British delegation could hardly believe their eyes, but for the French too it was a pleasant surprise to see the countless fists raised, the cheers and enthusiasm of the inhabitants of Belleville.

The march, which took two hours to pass a given point, wound through those streets where the Communards made their last stand and down to Le Mur des Federes (the wall of the Federals, where the last resisters were shot by the thousand).

THE ROLE OF LE MONDE

The bourgeois paper of France, Le Monde, reported the whole weekend very extensively and objectively. They criticised the PCF for not differentiating between the Ligue and similar organisations and some crackpot anarchists who went on a car-burning binge in the Latin Quarter after being refused entry to the Saturday evening's meeting. But most infuriating for the PCF, Le Monde devoted but ten lines ("just ten!" screamed L'Humanite the next day) to report a festival of some 10,000

people organised by the two newspapers of the Young Communists.

But all this was not done because Le Monde loves Trotskyists. It created the perfect opportunity for the Stalinists to point their fingers and cry in L'Humanite "The United Front of Prouvost-Fauvet-Krivine is a class front" (Prouvost and Fauvet are editors of *Le Figaro* and *Le Monde* respectively, Krivine

is a leading militant of *La Ligue Communiste*).

The amalgams of the '30s begin again. Messieurs Prouvost and Fauvet can chuckle at the initial success of their divisive tactics. But amid their smiles and the Stalinists screams we will continue to remember: Never trust the bourgeoisie; never trust the bureaucracy either.



THE DOLLAR IS GETTING WEAKER

Ernest Mandel



Karl Schiller with the President of the Bundesbank Karl Klasen

Eleven years ago we made the following analysis of the international economic situation: "In the era of declining capitalism the State is faced with a choice between crisis and inflation. It cannot avoid one without making the other worse. Thus the moderating influence of the State over the economic cycle is presented with an insurmountable obstacle, the capacity of monetary resistance which by definition is limited in time. The contradiction between the dollar as an anticyclical instrument and the dollar as a money of account on the world market has become insuperable."

Events have not contradicted this analysis. It expresses a dilemma that most bourgeois commentators on the present monetary crisis do not yet seem able to understand.

The Permanent Crisis of the monetary system

The international monetary system which was set up at Bretton Woods at the end of the second World War is now a state of almost permanent crisis. The first blows fell on the pound sterling then on the French franc while the dollar itself seemed out of danger, because of US gold sales. This time, however, the dollar itself has been dragged into the storm. The "dollar standard" condemned by some as a permanent drain on the riches of capitalist Europe has not even lasted two years.

Bourgeois experts on this side of the Atlantic pretend to believe that the US balance of payments deficit is at the root of all the evil. If only the US would put its house in order, everything would be for the best in the best of all possible worlds. What the falsely naive protagonists of this theory overlook is that in 1970 with a record military budget and a 6% rate of monetary inflation, 25% of the productive apparatus was idle. They forget, in other words that the roots of the evil are not to be found in inflation but in the internal contradictions of the capitalist system. The absurd survival of private ownership of the means of production and the commodity character of products means that these products cannot reach "every last consumer" unless they are sold and further more sold at a price which realizes the average rate of profit for their owner.

This inflation is in the last analysis nothing more than the result of this permanent illness which is rotting away the foundations of declining capitalism: the wider and wider divergence between the productive capacity of society and the buying power of the workers. The formidable pyramid of inflation was erected (well before the Vietnam war which only accelerated its growth) in order to bridge this

played in the US. The European bankers advise Washington to stop the inflation but where would the European capitalist economy be if there were 12 or 15 million unemployed in the US?

No less naive however are those on the other side of the Atlantic who pretend not to understand all these domestic upsets. They console themselves by thinking that "it's just a question of speculation." Really? In a society which is based on private property and thus on competition, the rich (whether they are businessmen, bankers, industrialists or landlords) will get rid of any money which systematically depreciates. The dollar is in crisis not only because it is depreciating but above all because it is depreciating faster than any other currency (for a start the Deutschmark and the Swiss franc). It's not speculation but the unequal rates of inflation which have brought about the break-up of the system of fixed exchange rates set up at Bretton Woods.

The most remarkable aspect of the whole affair is that the multinational companies, that is above all the giant American corporations which have many firms abroad, are the main authors of this recent speculation. It is the American capitalists who are speculating against the pound just as it was the British capitalists who speculated against the pound five years ago. Capital quite clearly has only one allegiance: to the maximum profit made in the quickest possible time.

They are fooling both themselves and their public because they show only one part of a reality which is based on the insurmountable dilemma outlined above.

West Germany's supremacy will not stay uncontested

Today the German Federal Republic has an absolutely greater quantity of exchange reserves than the US. The sensational rebirth of West German imperialism to a dominant position in capitalist Europe, which the role of the Bonn cabinet during the last monetary crisis already demonstrated, is today openly declared. German bankers decided all on their own to devalue the dollar: that's the deeper significance of last week's crisis. The fact that they can play God all on their own, the fact that they can carry it through: that's how much things have changed in the capitalist world in the last six years.

But their victory is hardly reassuring for the capitalists beyond the Rhine. They have failed to get their associates in "Little Europe" to achieve monetary consolidation. Even the post-Gaullists are saying a little too late that it

where Britain counterbalances West Germany than a "Little Europe" under the constant grip of Frankfurt and the Ruhr. This is the most severe crisis the Common Market has known. The plan for monetary and industrial integration - which was to allow the creation of a European currency taking over from sterling and, who knows, maybe also the dollar, as an international reserve currency - seems seriously compromised.

In the monetary storm going on, at this very initial stage reached in European capital interpenetration, each monetary crisis starts off classic reactions of "sacred egoism" so characteristic of regimes of private property. We will quote again what we wrote, this time in 1968:

"If inflation, as long as it remains moderate, is not incompatible with the more or less normal functioning of monopoly capitalism in the main imperialist countries, it increasingly provokes a serious crisis in the international monetary system through the inflation of the international reserve currencies. This is the stage that has now opened in the history of neo-capitalism. The imperialist powers will search for and apply partial remedies, each reflecting besides the desire to reform the system itself, particular interests at each specific stage. Inflation itself will not be halted".

The French capitalists who had already profited from the devaluation of the franc to

better their position on the market - above all in Germany - hope to enlarge their outlets yet again, thanks to the fixing of the parity of the franc. This is a shortsighted calculation. The policy of monetary stabilisation decided by the Bonn cabinet - through pressure from the banks - risks turning into a recession in Germany. And a German recession means not an expansion of French exports but a decline.

"THE WORKERS MUST PAY"

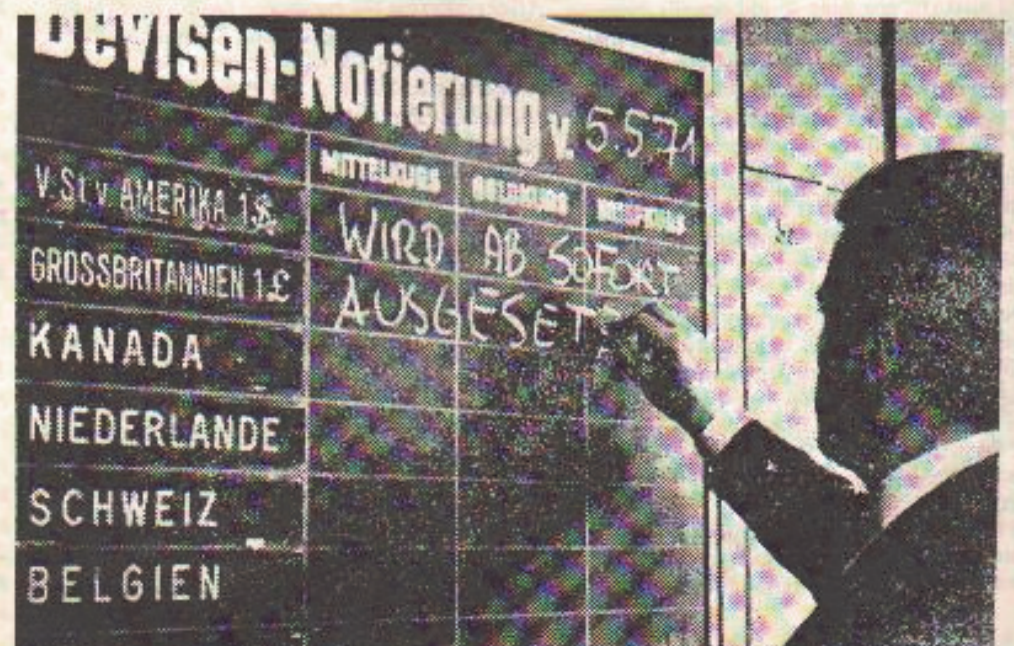
The whole stabilizing manoeuvre - much more fragile than in Autumn 68 and 69 - has basically one aim: to make the working class, especially the American and West German working class pay for the costs of the struggle against inflation. But inflation is the cause and not the consequence of wage demands, although these are taken as the privileged targets of the "stabilizers". On this point at least the Nixon administration, and the regimes of Pompidou, Heath, and Professor Schiller are unanimously agreed: "The Unions must moderate their demands".

The monetary crisis combined with a serious slowing down of economic growth (three major capitalist countries are in recession now: the USA, Great Britain and Italy, and a fourth, Japan, is drawing closer), narrows down the room for manoeuvre of "social conciliators". Hence the open attack on the right to strike in Great Britain. Hence the scarcely veiled threats of a similar attack in the US. In Germany the social democratic leaders will go on the offensive in the next few weeks, in order to "bring to reason" the trade unionist who is caught between two fires: the "moderating" pressure from Bonn and "radicalizing" pressure from the base (wildcat and token strikes in Autumn 69 and Autumn 70).

It is useful to keep in mind that the functioning of the capitalist economy is not a simple result of automatic mechanisms. The class struggle and the revolutionary struggle affect its course. The crisis is not just a result of the exhaustion of reserves or the growing internal contradictions of the system. It also reflects the heroic struggle of the Vietnamese masses which has cost imperialism tens of thousands of millions of dollars. It also reflects the revolutionary upsurge of May 68 in France, Italy's hot autumn, the wildcat strikes in Germany and throughout much of Europe, the growing militancy of British workers throughout 1970. It reflects an economic and social system whose very foundations are challenged more and more.

The long period of neo-capitalist expansion and prosperity is over. Thin cows are replacing fat ones. And if fat cows couldn't stop May 68, thin cows will have a few other surprises in store for us. "The worker will pay?" But the western working class is not prepared to pay. It's not demoralised. It hasn't suffered big defeats. The decline of the dollar opens the road to an increase in the struggles of the working class, including the American working class. The worsening international monetary crisis is a serious invitation to oppose the international struggle of the workers to the international speculation of capital.

10 May 1971



COATES, VISHINSKY AND RED MOLE

Dear Comrade,

On the 8th March 1971 the *Red Mole* published a story, which it had invented, claiming that *The Spokesman*, of which I am editor, was "reputed to be" the "marriage-broker" between "decrepit reformism and senile stalinism", in the shape of a "more or less formal merger between *Tribune* and the *Morning Star*."

I protested that this story was untrue.

Now, in the issue of 8th April, the editor of the *Red Mole*, after publishing my short letter of protest, far from retracting and apologising, offers a "reply" seven or more times longer than my complaint, which repeats the original slander and descends to even deeper levels of dishonesty and misrepresentation.

The reply is headed "The Proletarian Revolution and our old friend Coates" by use of which subtle rubric, with characteristic modesty, the *Red Mole* polemicist implies not only that he sees me as the inheritor of the old German social-democrat, but also that he is himself the authentic reincarnation of Lenin. Which of these identifications is the more amusing may be left to the reader to decide.

The *Mole*'s editorialist goes on to deny that he ever accused *The Spokesman* of being "engaged in the technicalities" of a merger between the *Morning Star* and *Tribune*, but "merely implied" that "the politics" of *The Spokesman* aimed to produce that effect. To paraphrase very slightly, the argument runs "The *Spokesman* has never been actually proved to have administered ground-glass to the rice-puddings in the works canteen, but since its politics are as they are, objectively it is guilty of poisoning the workers". The last time I was tried in such a way (You're guilty, of course, although we know you're far too wicked to ever have actually done anything wrong) it was by the old-guard right-wing of the Labour Party, headed by Sara Barker. But the style does have its fore-runners in Russian history: not in the work of Lenin, but in that of Andrei Vishinsky. The first point that Vishinsky always made was that his victims, whatever they had done or failed to do, were objectively very wicked indeed.

What is the objective state of the case? I have, in fact, written several articles in *The Spokesman* and elsewhere, urging a fight for the formal ending of all bans and proscriptions in the Labour Party. I have appealed for the affiliation of all tendencies of socialist opinion to that party. In doing so, I have not only named as relevant the communist party, but also, quite specifically, the Socialist Labour League, the International Socialists, and the International Marxists. My appeal has, in short, been for the right of every tendency to participate, with full rights, openly and unimpeded, in the affairs of the Labour Party. To represent this appeal as a call for a fusion between the communists and the Labour Left is not only crooked but stupid. Even in the *Red Mole* remains totally disinterested in the raising of the bans and proscriptions, the existence of the Socialist Labour League, which is greatly more serious in its organisation and considerably more numerous in its membership than is the I.M.G., guarantees that at least one major Trotskyist grouping would benefit from success in such a campaign. And this means that the victory of the campaign I proposed could not have the effects suggested in the *Red Mole* at all: I'm sorry, comrade Vishinsky, but "objectively" things are otherwise than you claim.

Instead of discussing the politics of this issue, and the fight to open up the Labour Party to a serious attempt at socialist development, the *Red Mole* puts up a smokescreen of invective against anyone who seeks to raise these issues.

When it comes to analysing my own writings, this prevarication becomes visible. My formulations about the meaning of "revolution", for instance, contains nothing whatever that could not be found in at least a dozen key statements of the Socialist Workers' Party, in the United States, from the time of the second world war onwards. My article in *The Listener* (published in full in the *Socialist Leader*) says nothing that I did not say, just as explicitly, in my essay in *Towards Socialism*, once praised by many of

the *Mole*'s contributors, and now allowed to go out of print because its editors appear to be ashamed, not of what I wrote, but of what they wrote themselves. But the *Mole* quotation from my article does me the favour of omitting a few lines, which are themselves quite revealing: what I really wrote in *The Listener* included the following words deliberately left out of the *Mole*'s rehash:

"We have insisted from the beginning that people cannot be "tricked" or manipulated into exercising greater democracy, but that they must develop, themselves, both the individual self-confidence and the collective authority which can enable them to insist upon the changes which are necessary."

Not only does comrade Vishinsky quote selectively, but he also resorts to a famous device: that of amalgam. In this case, he quotes a long extract from a letter by Ken Fleet, who is a left-wing Catholic, as if this automatically represented my own view. This letter said, amongst other things, that the majority of IWC members were not marxists. No more they are. Does the *Red Mole* really think that all the hundreds of thousands of T&GWU members affiliated to the IWC are "marxists"? Would the *Red Mole* have the IWC reject their membership until they conformed? In fact, the IWC makes its own policies without benefit of the help of the *Red Mole*, and it unites people of many tendencies, who are able to work together for limited purposes, and to discuss general issues in a fraternal way.

Finally, the *Red Mole* scoffs at my claim that none of the liberal criteria of democracy would be invalid if the media were self-managed in a self-managing society. These criteria were admirably expressed during the English Revolution by John Milton, in *Areopagitica*. Which of them, precisely, is invalid in a socialist society?

Of course, Comrade Vishinsky isn't terribly keen on democracy anywhere, leave alone in the press. But hasn't the *Red Mole*, for all its developing narrowness, a wider view than that? Doesn't socialism offer wider freedoms than capitalism? If it doesn't, then you can count me out. More important and more decisive, you can count the working class out, too.

Yours fraternally,
Ken Coates.

REPLY TO KEN COATES

It is good to see Ken Coates back on form again—why is it that he can find a clear and forceful style in replying to the *Red Mole* which seems quite to escape him when he is replying to Charles Wintour, editor of the *Evening Standard*, in the pages of the *Listener*? But if the style of Coates' attacks on the Left has a clarity and force missing from his attacks on the Right, the same cannot be said for the political content.

Readers' memories of what we originally wrote about Ken Coates may have been clouded by Coates' subsequent glosses and interpretations, so here it is:

After reporting the rumoured production tie-up between the *Morning Star* and *Tribune*, we pointed out that the wider strategy was "a formal application by the CP to affiliate to the Labour Party. Marriage-broker for the alliance of decrepit reformism and senile Stalinism is reputed to be none other than The *Spokesman* magazine which we believe has some connection with a Mr. Ken Coates of Nottingham."

What is at stake here is the political line pursued by Coates in the IWC, the *Spokesman*, and in his letters to the bourgeois press. We are certainly against bans and proscriptions of the Left operated by the Labour Party and we never criticised Coates' argument for lifting them. Now that Coates mentions it, we would point out that the Labour Party has from its inception sought to exclude revolutionary Marxists and the bureaucrats who have always controlled it are unlikely to change their minds at the behest of Coates and his friends. Only a

revolutionary mass movement of workers would be able to break this bureaucratic grip, and such a movement might have more urgent tasks to confront. Perhaps it is because he knows that revolutionaries do not last long in the Labour Party that Coates has so successfully sought to shed his revolutionary past. Be that as it may, Coates must expect to be judged on his public statements and actions. For some time now these have implied that there can be some parliamentary road to socialism—it is of course precisely this illusion which unites the Labour Left and the Communist Party. If Coates does not believe in the Parliamentary road, then it is very curious that he does not say so since he assures us he does not believe that people can "be 'tricked' or manipulated into exercising greater democracy". One of the most decisive dividing lines between revolutionary Marxists and all varieties of reformist and revisionist is the knowledge that the institutions of bourgeois democracy, because they exclude the masses by their very nature and are embedded in the capitalist state apparatus, cannot be used by the working class to bring about the transition to socialism. To emancipate itself and all oppressed groups the workers must destroy the hollow democracy of the bourgeoisie and establish a dictatorship of the proletariat based on soviets or councils of workers and all other oppressed and exploited groups, in which the bourgeois conception of politics, with its separation from everyday life and its division of executive and legislative is completely transcended. Of course revolutionaries cannot just ignore bourgeois parliamentary institutions and where they still dominate the political consciousness of the masses they should be prepared to work within them to expose them—but they should make it clear that this is precisely what they are doing. Coates' recent pronouncements completely lack this clarity; that is why we drew attention to them. Once the parliamentary road to socialism has been embraced, it is perfectly logical and rational to encourage closer links between the Labour Left and the Communist Party, and to promote the latter's affiliation to the Labour Party. Our belief that this is what the *Spokesman* and IWC are engaged in derives purely from a scrutiny of what they say and do, of whom they involve and whom they exclude, of whom they flatter and whom they ignore. Such a scrutiny suggests that Coates prefers established bureaucrats and their hangers-on to mass movements. No doubt this is one of the few points on which Coates will find himself in agreement with the Socialist Labour League: consider that both withdrew support from the Vietnam Solidarity Campaign as it developed into a militantly anti-imperialist mass movement of youth, consider that both fetishistically regard the Labour Party as still the essential political expression of the working class, both encourage illusions about the Labour Left and the possibilities of a Labour government committed to socialist policies. However when it comes to the Communist Party and its role in British working class politics, Coates at best murmurs a few discreet reservations while the SLL screams sectarian abuse. What is lacking in both is a principled and comradely debate with those layers of advanced workers who are influenced by the Communist Party.

On other questions raised by Coates just some brief comments:

1. Does Coates really believe that a production tie-up between *Tribune* and the *Morning Star* is comparable to adulterating the rice pudding in the works canteen with ground glass? Sounds to us more like adulterating rice pudding with rice pudding.
2. It is not the *Red Mole* who has amalgamated Ken Fleet with the IWC nor was it his religious views we were questioning but rather ex officio

statements like the following:

"[The IWC's] influence so far as it exists expresses itself through the established organisations of the Labour Movement. It is the function of these bodies to carry workers control into effect and the Institute has no wish to usurp these functions."

Quite simply this is a betrayal of the great potential of the workers control movement as a focus for the development of a mass movement of the most militant workers rather than a paper coalition of "established organisations of the Labour movement" that it has now become.

3. One liberal principle that any socialist revolution would have to violate is that of the sanctity of private property—if Coates doubts the centrality of this theme in classical liberal political philosophy he should start by consulting C. B. MacPherson's "The Political Theory of Possessive Individualism" or even read some John Locke.

4. The *Red Mole* editor who contributed to *Towards Socialism* assures us that far from being ashamed of his essay in that volume, he is planning to republish it without substantive alterations.

5. Is there no trace of the amalgam technique in Coates' remarks on the supposed imitations of "Comrade Vishinsky"? Would, for example, Comrade Vishinsky have published Coates' letters?

6. Far from Cannon agreeing with Coates' toadying attitude to the Labour Party here is what he wrote about it in Feb 1948 in his report on Election Policy to the National Committee of the SWP:

"But then the question is raised—the fact that the question is raised shows some confusion on the question of the Labor Party—comrades ask: 'Well, what is the British Labor Party?' If we judge it by composition alone, we must say it is a 'workers' party' for it is squarely based on the trade union movement of Great Britain. But this designation 'workers' party' must be put in quotation marks as soon as we examine the program and practice of the party. To be sure, the formal program and the holiday speeches of the leaders mutter something about socialism, but in practice the British Labor Party is the governing party of British Imperialism. It is the strongest pillar upholding this edifice. That makes it a bourgeois party in the essence of the matter, doesn't it? And since 1914, haven't we always considered the Social Democratic Parties of Europe as bourgeois parties? . . ."

"Our fundamental attitude towards such parties is the same as our attitude towards a bourgeois party of the classical type . . . that is an attitude of irreconcilable opposition. But the composition of such parties give them a certain distinctive character which enables, and even requires, us to make a different tactical approach to them. If they are composed of workers and even more, if they are based on the trade unions and subject to their control, we offer to make a united front with them for a concrete struggle against the capitalists, with the aim of promoting our program of 'class against class'. We try to push them into class actions against the bourgeoisie. But we do not paint them as genuine organs of the working class in the political sense. That would be a great mistake . . ." [emphasis in original]

As this exchange is clearly overspilling the correspondence columns of the *Mole* and must now be closed in these pages, we would be happy to engage Coates in a public discussion on the political issues involved or continue a written debate in the pages of the ever "broadening" *Spokesman*.

STEEL : THE BACKYARD FURNACES OF BRITISH CAPITALISM

1. Nationalisation & Capitalism

With the exception of Labour's attempts to nationalise the steel industry in 1950, the bourgeoisie have never seriously opposed nationalisation measures. The recent nationalisation of Rolls Royce, though in part a rather smart "legal" manoeuvre to deprive Lockheed of any company to claim compensation against following the decision to end the RB211, illustrates very clearly that nationalisation moves are only made against companies or industries that are in severe economic difficulties and which are no longer profitable for the bourgeoisie to run. But their necessity to the physical structure of capital remains, hence nationalisation is invariably followed by intensive investment programmes financed by the taxpayers' money. Other benefits to capital then accrue: costly technical developments are undertaken by the State and then handed out to private capital, prices of nationalised products or services are stabilised because they are fixed outside of the free market arena, revitalised parts of state property are thrown onto the market at a later date, and so on. Nationalisation, far from eroding the power of the bourgeoisie, actually consolidates it. The bulk of nationalisation has occurred in either the "infrastructure" (railways, road transport, some airline services) or in basic fuels (coal, electricity, gas). Stability of price and production in these sectors provide a stable base on which bourgeois production as a whole can rest, and frees the bourgeoisie from the burden of sectors that have developed acute problems of profitability.

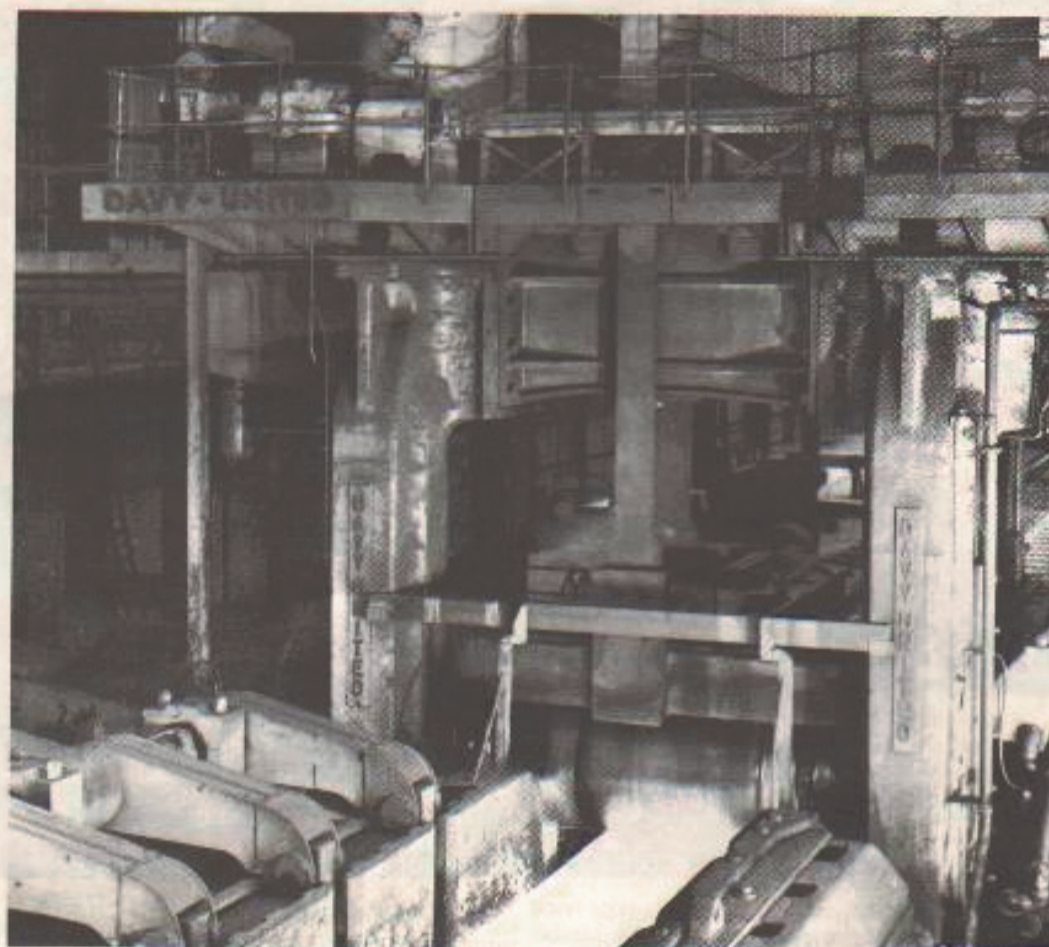
When Labour nationalised steel in 1950, however, the bourgeoisie did not wish to give it up and the state held it nominally for only a year. The postwar reconstruction and armaments boom and later the consumer boom of the '50s created profitability in steel, a profitability that concealed the fact that steel was doomed the moment the boom slackened off.

2. The Backwardness of British Steel

The output of steel is clearly dependant on the rate of investment in the other sectors of capital i.e., the volume of new machinery required. If the economy as a whole slackens growth, as it did at the beginning of the sixties, investment in new plant becomes superfluous. Steel production therefore plummets and profits plummet even faster because 1. The high cost of overheads remains fixed, 2. Private steel firms hoard a skilled labour force even in times of recession, and 3. Large amounts of capital are standing idle. The alternative is to continue production and 'dump' the product abroad. Unfortunately for British Steel, Britain's share of the world market had shrunk so rapidly in the face of U.S., Japanese, and European competition that this option was not open.

The nationalization that took place in 1966/67 was not total nationalization. The British Steel Corporation acquired the bulk of heavy steel production with some share in companies producing more profitable steels (e.g. stainless steel) or engaged in processing (e.g. certain engineering concerns) as well as some outright takeovers in three areas. It was in the traditional heavy steel production that the situation was most critical. This was the technical base of the steel industry, which had not been radically overhauled for decades. Unlike the steel plant in Europe or Japan, it had not been physically destroyed during the War. This physical destruction proved advantageous in that fresh capital implemented the most modern techniques (for example, oxygen plant instead of old high cost open furnaces) and new economies of scale. Consistently high rates of capitalisation during the '50s are reflected in the growth of productivity per man hour and in total output of steel, in these countries.

The profitability of the steel industry in the boom period prompted the Tories to denationalise in 1951. This was to prove catastrophic for British capitalism over the long-term. A privately-owned steel industry with a backward technical base, with production fragmented between a host of "small" firms, producing "small" quantities of steel, with no incentive or means to invest in substantial quantities of new plant, all this provided an inadequate price basis for British capitalism facing increasingly stiff competition from other imperialisms. Not only has Britain been unable to export steel in significant



quantities but its exports generally have been undercut by imperialisms whose steel base in particular can produce more steel, more quickly, more efficiently and comparatively more cheaply. In the 1970s for example a steel works has to produce 10 million tons annually to be an economic proposition—that is the equivalent of only 3 major plants for the existing volume of British output.

To sum up then, the resistance to nationalisation of the steel industry by steel magnates enjoying short-term superprofits resulted in the perpetuation of a high and inflexible price base for British goods and this contributed to the failure of British goods to remain competitive in the world market. This in turn produced in the '60s a crisis of capital investment that created recession in the steel industry, who themselves in turn had been unable to influence this eventuality by earning profits abroad because they were totally unable to take advantage of the enormous expansion in world steel demand in the '50s. Nationalisation of steel would have ameliorated, though in no way resolved, the present crisis of British capital. The best that could be done to save the situation in the '60s was to allow British manufacturers access to imports of cheaper foreign metal products. The U.K. tariff on metal imports were dropped from 20.25% in 1957 to 8% today with EFTA and the Commonwealth free.

3. Finally—Nationalisation 1966

In their attempts to cure the ills of British capitalism, the Labour Party nationalised steel in 1966/67. The long-term interests of British capital could best be served by the complete rebuilding with taxpayers' money of the steel industry under the BSC so that private capital would find available a cheap, efficient, competitive steel industry at its disposal should it extricate itself from recession. This required a number of things. The Benson Report of 1965 recommended that by 1975 the British steel industry should produce 35 million tons with a labour force of 200,000. In 1965 it produced 26 million tons from 315,000! BSC also intends to close down the old hearth steel works and build new oxygen plant or extend existing oxygen plant, most of this new investment being concentrated on Teeside and S. Wales. The older steel plants of Yorkshire, the Midlands, the North West, are being run down in favour of the coastal positions (Common Market, growing import of ores, coke, etc.). Rationalisation through redundancy and productivity dealing is to be generalised throughout the industry; horizontal integration and economies of scale are to be carried out. The steel industry has been nationalised in order to spend in the region of £6,000m between 1965 and '75 making over 100,000 men redundant building a modern steel industry available to capital in the event of its

"recovery". Secondary intentions include holding down the price of steel through strict control over BSC, to aid British capital through its critical period.

4. The Crunch Comes

However, the crisis in British capitalism has become deeper since 1968. The first four months of 1971 saw a massive slump in steel production. The recessions in engineering, machine tools, building, ship building, etc. have resulted in a lack of capital investment in those industries. Steel stockists have cleared their shelves and few orders are coming in to BSC. The expected £130m profit for the 1970/71 financial year has turned into a £20m loss, despite £27m on the credit side arising from price increases at the end of 1970. These were the first big price rises the government has allowed BSC since nationalisation. In March this year BSC put in for a 14% price rise (which would cost private capital £140m). This has triggered off a rapid chain of events since the end of March.

Davies, Minister of Technology, has suspended investment grants to BSC, forced BSC to cut its price rise down to 7%, and set up an enquiry to determine the future of BSC's £4,000m investment plans. BSC have had no choice but to raise their prices by only 7% but as BSC has pointed out, coal and electricity have been allowed rises of 18% and 12% respectively. The Tories are blatantly using steel to subsidize private industry but allowing coal and electricity prices to rise because these chiefly hit the population as a whole. The response by BSC to these Tory moves has been to read the message loud and clear—rationalise pronto or the £4,000m will not come your way. Since the beginning of April, BSC has speeded up its redundancy programme obediently. Over 10,000 redundancies have been announced over the last two months. Individual plants are being cut rather than phased out—e.g. Irlam is to close, resulting in 4,300 redundancies, saving £7 million a year. BSC's original plan was to run down old investment while making investment in new. The Tories have made the second a condition of the first.

The future of the £4,000m. is still uncertain, but the Tories have announced that private capital is now free to enter the special steels, chemical and engineering divisions of BSC. Parts of BSC are to be "hived off", while any new private steel development will be welcomed whether British or foreign capital is used. Certainly the long-term aim of the Tories is to return a "healthy" steel industry to private enterprise but this cannot be done yet—British private capital will not invest in new plant of 10m tons capacity, in its present condition. What the Tories may well do is to introduce foreign capital under Common Market agreements (the Dutch and the Germans have had discussions with BSC this week).

for Foulness). With foreign capital being invested, the £4,000m can be cut considerably. What is more, the Tories see no future in a national steel industry in the long-term. Within the framework of the EEC multi-national corporations would be a logical development. The pattern of world steel production moreover is now changing in such a way that cheap transportation of ores means that it pays to set up production in the markets rather than exporting (*Fin. Times*, Jan. 4 1971).

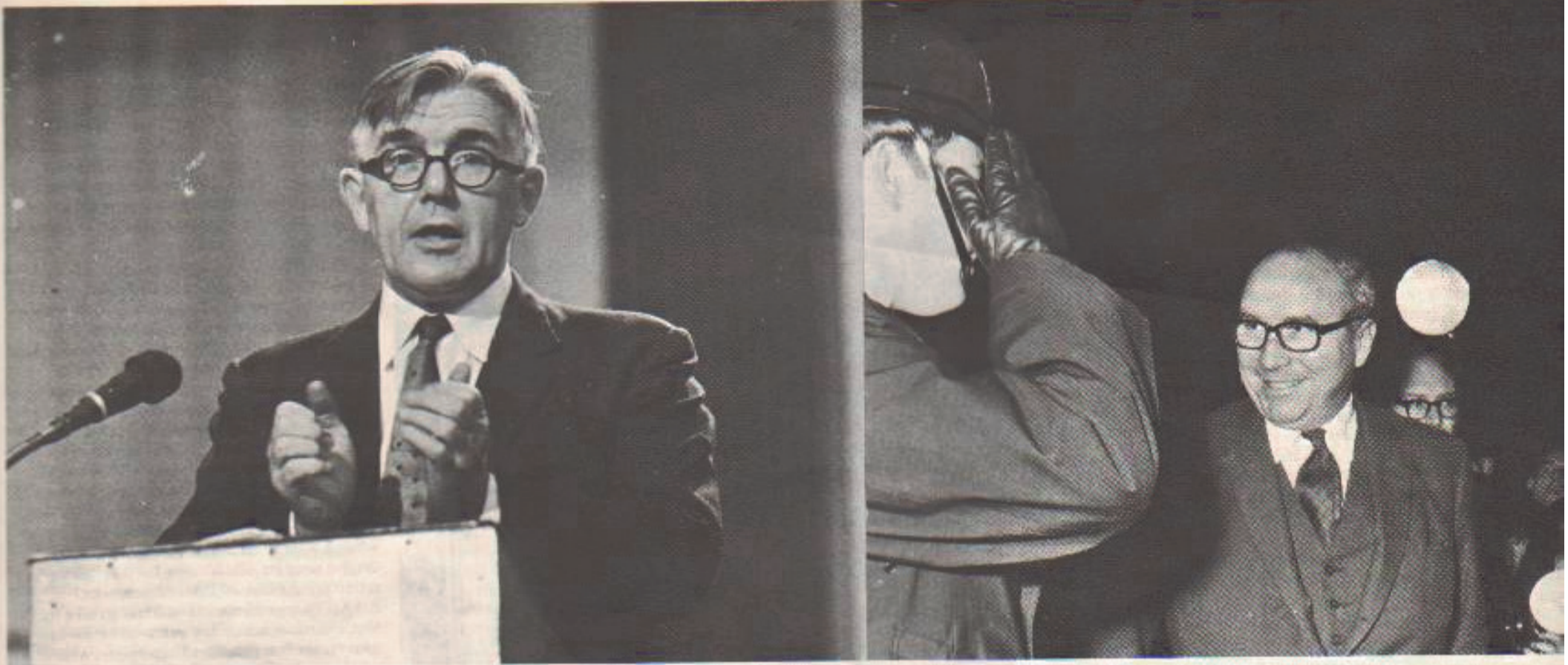
BISAKTA is the biggest union in the steel industry with just over 100,000 members. The National Craftsmen's Coordinating Committee, most of whose members are in the AEF, has 22,000 and the National Union of Blastfurnacemen has 19,000. In addition the T&G and GMWU have small bases in steel. There has been little coordination between these unions, much less a coherent strategy against BSC. BISAKTA and the steel craftsmen (AEF members) have so far negotiated rises separately. BSC's refusals may well drive them together into united action. So far BSC has been able to treat its members with contempt. This becomes comprehensible when a little of BISAKTA's history is known. On the same day in January 1969 as the Corporation announced 40,000 redundancies, BISAKTA met to discuss whether to take its first industrial action for years—to refuse to take orders from staff and supervisors who would not join BISAKTA! (*Trade Union Register 1969*—p. 179). This has been BISAKTA's central concern since 1967—unionising the administrative and clerical bureaucracy that has mushroomed since nationalisation. At the same time the NUB has been fighting a possible merger with BISAKTA—with some justification!

BISAKTA is distinguished by having no annual delegates conference, by forbidding any unofficial action, and by having its officials appointed from above. This structure is a hang-over from the pre-nationalisation days when a seniority system developed in an industry where workers are highly skilled, where small firms took a paternalistic approach to industrial relations, where payment (before the War) was by "butty" system (senior man given a lump sum which he distributes to the men below in wages), where "promotion" and huge wage differentials still persist. No militancy was able to develop in this atmosphere and today BISAKTA is such that it could agree to the Green Book productivity deal in 1969. (I am relying heavily for material here on the article on the Steel Industry in *International* No. 2, Sept.-Oct. 1970). Despite the Benson Report, BISAKTA, without consulting the rank and file, agreed to a deal that gave the workers a 5% increase (to which BISAKTA has tied itself for three years, despite inflation), an extra week's holiday and a 5-day working week guarantee, in return for method study, time and motion study and job evaluation! This is exactly the framework BSC wants for rationalisation and redundancies.

The present situation is extremely dangerous. BISAKTA has put up no fight over the redundancies so far. The present uncertainty carries the danger that the steel workers will become more fragmented than unified. The local bureaucracies in BSC have attempted in the past to line up workers in support of their parochial claims to priority in national development programmes. At the moment BSC has plans for "greenfield" plant of 12 million tons capacity. The various sections of BISAKTA are now putting in demands on BSC to site this in their areas. This plays into BSC's hands of course—the local sections cool down any militancy to increase their credibility with BSC. This atmosphere of mistrust and intrigue in the middle of massive redundancy announcements is hardly conducive to a national strike over pay rates. In addition to this, steel workers have, in some areas, tended to accept redundancies with docility because of substantial redundancy payments.

In the present atmosphere of uncertainty and insecurity (Davies' inquiry will report at some indefinite time in the future), it is vital that rank and file steel workers build national links, that they fight for democratisation of the union and that a strategy to fight redundancy is evolved. The alternative is redundancy, large cuts in earnings following from short time working and massive demoralisation. *The Red Mole* declares solidarity with all steel workers fighting the Tories and the BSC.

THE LABOUR PARTY : WHAT



The combination of the increasingly right wing policies of the Labour Party and the tremendous decline in working class involvement in that party have led some revolutionaries, and even a certain number of worker militants, to believe that the working class will now bypass the Labour Party in any struggle. They have advanced the view that the entire working class has somehow "seen through" the Labour party and regards it in exactly the same light as the Tory party. This has led to suggestions such as calling on workers to abstain in any General Election, organising the breaking up of Labour party meetings, and so on. While such attitudes, particularly amongst worker militants, are an extremely welcome sign of increased political radicalisation, nevertheless they constitute a recipe for political disaster. No matter how much the organisational hold of the Labour Party over the working class has declined, as long as there exists no credible alternative to the Labour Party the working class will still be dominated ideologically by that Party. This domination may express itself either in an active form in terms of involvement in the Labour Party or even in the negative form of refusing to undertake certain courses of action because they see no alternative to Labour.

To understand this domination you simply have to consider for example what would be the effect if prominent members of the left wing of the party were expelled. Even if workers still refused to take a part in the affairs of the party, it would still be the case that every worker would be aware that there was a political dispute, and would in a vague sense know who stood for what. Such an event would politicise certain sections of the working class in a way that, for example, the mass exodus of members from, and crisis in, the Communist Party in 1956-57 never did. For the mass of politically conscious workers politics still *means* the Labour party, and that fact is not altered in the slightest because they may follow shop stewards who are Communist Party members, or take part in and even organise political strikes which are violently condemned by the Labour Party. The most that the changes that have taken place over the last 15 or 16 years can signify is that the tactics for dealing with the Labour party may change. In no way however can these tactics be raised to the level of a principle. The principle still remains that the working class will only break with the Labour Party in the course of a struggle against the leadership and bureaucracy of that party. It will not simply bypass that party.

Without a correct understanding of the role and nature of the Labour Party it is impossible to make a meaningful intervention in the work workers movement. Until a really credible alternative exists for workers, politically advanced ones will always vote for Labour rather than Heath & co. In this the instincts of the working class are perfectly correct. A worker who votes Tory is a *backward* worker. A person who refuses to vote Labour when the *only* alternative

is the Tories is aiding the Tories. He is voting for an explicitly class class collaboratorist policy. As long as this situation continues revolutionaries will *always* tell workers to vote Labour.

But merely to say vote Labour rather than Tory is not nearly sufficient. If workers were to vote Labour in the belief that a Labour government will actually solve the problems of unemployment, housing, inflation, etc. then they would suffer a complete demoralisation and become apathetic when they find that this is not the case. This means that although revolutionaries explicitly tell workers to vote Labour, *never under any circumstances do they tone down their criticism of that party.* On the contrary the task is to explain at all times that in order to solve its problems the working class will have to fight not only the Tories but the Labour Party as well. The correct attitude to the Labour party is the one expressed at the Fourth Congress of the Comintern, "Vote for it, but prepare to struggle against it". It is not sufficient however to say simply that it is necessary to fight the Labour Party. It is necessary to fight *for* something as well as against something. It is at this point of deciding what demands and policies it is necessary to put forward that Marxists part company with every type of reformist.

WHAT POLICY FOR REVOLUTIONARIES?

The basis from which the Labour Party and all reformists start their thinking is that it is possible to solve the immediate problems of the working class without destroying capitalism. They believe that Socialism is a good theory but in the short term capitalism can be reformed to solve the problems of unemployment, rising prices, etc. All their energies go into trying to reform capitalism. This means for example that they put forward plans of economic growth to cure unemployment which rely the investment to create the means to carry them out on the same capitalists who are throwing people out of work. In fact the destruction of capitalism is not some distant dream but is the *only* way of solving the immediate, direct, everyday needs and problems of the working class. Without the ending of capitalism no government would have the economic means to carry out any programme of measures in the real interests of the working class.

From this simple fact it follows that the demands and policies which revolutionaries must advance are those that directly challenge capitalist ownership of the economy. Simply to advocate 4 or 5 reformist demands not including the ending of capitalist ownership of the economy, is to try to get the working class to fight for a policy which will not solve its problems even if that policy were carried out. Such a policy is a recipe for disillusionment, and demoralisation, not for success.

But if the policies which need to be fought for are socialist and not reformist ones, this does not solve the problem of where the people to fight for them are to come from. It is at this

point that the decline in working class participation in the organisations of the Labour Party does begin to come in. This decline in involvement does not alter the general principles as regards the Labour party, namely that workers will not simply bypass it in struggle, but it does alter the tactics and strategy that need to be pursued.

THE ORGANISATIONAL DECLINE OF THE LABOUR PARTY

As a result of the policies of the last Labour government, and even more because of the failure of the "left" wing of the Labour party to really oppose them, there has been a catastrophic fall in the membership and organisational strength of the Labour party. For example since 1966 over 36,000 individual members have left the Labour Party. Attendance at ward meetings has slumped ever more. Largely due to this rapid fall in membership and activity the organisation of the Party is in a state of complete disrepair. The number of full time party agents is now down to 144 compared to a figure of 296 in 1951.

It is worth looking at the changes in party membership and compare it to say 1951. In that year there was no doubt that what political activity there was in the working class expressed itself in the Labour party. Every single revolutionary organisation carried out serious work inside the Labour party. In that year individual membership of the Labour party stood at 876,000. In the General Election of that year although it lost the election it still received 48.8% of the vote.

The situation now is changed beyond belief. Purely in terms of votes (probably the worst indicator of the working class's interest in the party), in 1951 the Labour Party received 1,800,000 more votes than it did in 1970 and that despite the fact that in the meantime the number of electors has risen by 3 million. Membership has fallen by nearly 200,000, and from 876,000 it now stands at 680,000. This figure itself is probably a gross exaggeration of the number of members. This exaggeration springs from the fact that no constituency Labour Party can affiliate on less than 1,000 members. This means that if only 5 people attend meetings and only a couple of hundred pay any subscription, this still goes down in the figures as 1,000 people. It is difficult to find out what the real figures are but there are only 90 constituencies which have *over* 1,000 members. All the other 500 or so have less than that figure. (2) One survey which may show just how exaggerated the figures for membership are was one in Birmingham which found that the average membership of the 13 constituency parties in the city was 390. If these figures were typical of the entire country then the Labour Party would only have something like a third of its claimed membership. The decline of interest and participation in party affairs is even greater than the decline in membership. For example last year 172 constituency and borough parties did

not even bother to send representatives to the Party's annual conference (3).

Although the policies of the Wilson government were an open attack on the working class, and were seen as such by many workers, this need not necessarily have produced such a fall in participation in the Labour party. On the contrary if the Tribunites and the general "left" had put up real fight many workers would have joined in the activities of the party as a way of fighting Wilson. What really condemned the Labour Party to its present state was the refusal of Michael Foot, Eric Heffer, Stan Newens, etc. to wage any sort of fight against Wilson's policies. This was completely in line with their retreat on previous positions such as the 1960 Labour conference decision calling for Britain to abandon the H bomb. In the name of "unity" the so called left winger steadfastly refused to wage a real campaign against Wilson. They are continuing this policy even now by, for example withdrawing their motion against the Industrial Relations Bill in the interests of "unity" with Wilson and Castle. As long as no real fight is put up inside the constituency section of the Labour party, workers are unlikely to rejoin in significant numbers and the Tribunites have already shown that they do not intend to fight. It cannot of course be ruled out that in the future there will not be a revival of activity inside the Labour Party constituency parties, but for now the forces to fight against the policies of the Labour Party and against the Tories must be sought elsewhere.

THE CLASS NATURE OF THE LABOUR PARTY

It is at this point that the decline in participation of the working class does begin to determine *tactics* even although it does not alter the general principle concerning the Labour Party.

Although in social terms the Labour party draws its support from the working class, in political terms it defends capitalism. It therefore is, as Marxists have always recognised, a bourgeois party (4). In fact in certain situations such as 1931 and 1945 it plays a role that in defending capitalism no other party could play.

However just because Labour is politically speaking a bourgeois party it is not the case that revolutionaries have the same attitude to such a party as they do to for example the Tory party. On the contrary although the Labour party is not a workers party in a political sense it is a party of the working class. An organisation can be a party of the working class on at least two counts. Firstly, it can be such a party if its programme is at least nominally opposed to capitalism, i.e. a socialist one, or it can be one because the party rests on the organisation of the working class. It is now chiefly on the second of these two counts that the Labour Party can be considered a party of the working class.

But because an organisation is a party of the

IT IS AND HOW TO FIGHT IT

working class it does not follow that somehow the workers can take control of such a party. On the contrary it is an elementary principle of political analysis that the Labour Party is *not* reformable. It is a totally bureaucratized party whose leadership maintain their power by any means possible. There is a rigorous system of bans and prescriptions on members of the Labour Party. In times of challenge to the leadership these are rigorously enforced and strengthened. If we look simply at the 1960s we can see that the decade opened with the expulsion of many of the leading members of the Labour Party's Young Socialists. Furthermore the first year of the decade revealed in practice once again, at the Scarborough conference, the simple fact that the leading members of the Party are in no way under the control of the supposedly highest organisations of the Party such as the Annual Conference. It does not matter whether the Party is in opposition, as in the case of nuclear disarmament in 1960, or in power, as in the case of Incomes Policy, as in 1970, the leaders of the Labour Party will always obey the dictates of capitalism rather than the wishes of their members and if their members object too strongly or systematically then they are simply expelled. This control extends down also to the selection of candidates. An example of this was the refusal of the Labour party to allow John Palmer to stand as a candidate in a Croydon constituency despite the fact that he had been selected by the local party.

Endless examples could be given of the bureaucratic nature of the party. A fairly typical example of this would be the expulsion from the party of the Secretary of the Haringey Action Committee for Tenants because of activity in opposition to the GLC's rent rises. This followed the expulsion from the Labour group of councillors for action they had taken on housing. The type of action they had to put up with before they were expelled was for example the refusal of Haringey borough council on two occasions in 1967 to receive a delegation bringing a petition from the tenants' committees. Although at that time the council had 51 Labour and only 19 Tory councillors, the motion to receive the delegation was refused by 27-23. This vote was determined by the leaders of the Labour group of councillors threatening to expel anyone who voted to receive the delegation. To take just one example of bureaucratic control at a higher level, we might consider the 1963 LPYS conference. Here a threat to the leadership was solved by simply rigging the vital standing orders committee by removing the only left winger from it. Even in the unlikely event of any revolutionary tendency surviving inside the Labour Party for long enough to gain the support of the national conference, this would still solve nothing. The real leadership of the Labour Party, the parliamentary members, are quite at liberty to ignore any decisions taken. In short the Labour Party is totally unreformable. The only question facing socialists is how to destroy its influence over the working class (5).

DESTROYING THE INFLUENCE OF THE LABOUR PARTY

The Labour Party is not reformable, but that does not mean that there is no point in carrying on a struggle inside it. On the contrary it is only by a widespread struggle inside the entire working class movement including inside the Labour Party that the working class will be repoliticised. The qualification on that however is that it is not possible to wait until such a struggle has occurred and the working class has become more political before commencing the struggle. On the contrary to wait until then would be fatal. It is necessary to organise the working class for independent action right from the beginning. This point also interlinks with a position on the constituency Labour Parties.

During the 1920s and 1930s if a worker left his constituency Labour Party, it was undoubtedly a sign of political backwardness (the only exception to this of course is those who joined the C.P. during the 1920s). To leave the Labour Party then meant to leave an organisation

which was at least on paper incomparably to the left of the present Labour Party, which activity contained within its organisations a mass of workers, and which had not yet had a chance to really show what it would do when in office. Now however a worker leaving the Labour Party has a totally different significance. In many cases it means that they see the futility of slogging their guts out within a constituency, ward, city party which is powerless to influence in the slightest the policies of "their" party. Ideologically these people are still dominated by the ideas of the Labour Party, as we have discussed, but in no way can leaving the Labour Party be now equated with a retreat into political backwardness (as it could undoubtedly have done in the '20s or '30s). On the contrary it is many of these militants who had abandoned work inside the constituency parties who have been responsible for the movement against the Incomes Policy, In Place of Strife, against the Tory anti-union laws etc. What leaving the party means in the present situation is certainly not that the mass of workers are on the verge of joining revolutionary organisations or that they have rejected the ideology of Labourism, but it does frequently mean that they have seen the futility of banging their heads against a brick wall inside a constituency Labour Party.

A realisation that the rank and file of the party cannot change anything is an extremely positive step *potentially*. If it leads to apathy and giving up all political activity it is of course disastrous, but whether that occurs depends entirely on whether an alternative is seen to work inside the constituency parties. The key to whether this will be the case is work inside the Trade Unions.

The trade unions stand in a very different relation to the working class than does any political party and especially a party like the Labour Party. A political party such as the Labour Party can become a government and attack the working class. The trade unions on the other hand remain defensive organisations of the working class. The working class can leave the organisations of a political party in disgust, the continual pressure of the economic struggle against the bourgeoisie will however keep these same people in the organisation of the trade unions. In particular in a period of intensified class struggle the internal life and authority of the trade unions can only increase. In addition the structural relation of the leaders of the trade unions to the working class is different to the relation of the leaders of the Labour Party to the working class.

The leaders of trade unions are based on organisations of the working class at the point of production. These organisations are involved in relatively continual struggles. Any movement inside the working class is therefore reflected fairly directly inside the trade unions.

The situation of the Labour Party is very different. It is related to the working class in two ways. Firstly directly via the constituency Labour Parties, and secondly indirectly via the leaders of the trade unions. What has happened during the 1950s and 1960s is that the first of these links has shrivelled almost completely. This means that the only strong organisational link which the Labour Party retains with the working class in an organisational sense is via the trade unions and the leaderships. (Which is not the same as saying, to repeat for the nth time, that the ideological relation does not still exist).

Given this situation the people who naturally emerge as the leaders of opposition inside the Labour Party are not the "left wing" members of the constituency and parliamentary parties, their base inside the working class is now eroded for that, but the leaders of the Trade Unions. This means that now these men represent to the mass of workers not merely trade union leaders but the only really credible *political* alternative to the present policies and leaders of the Labour Party. It is men like Jones and Scanlon who now possess the credibility, because of their "left" positions, and the base inside the the working class to directly challenge for the position of the leadership of the working class. They can in fact play a directly political role if they wish. Without a complete change in the entire political situation, it is extremely unlikely that the left

of the constituency and parliamentary Parties can summon either the political militancy or the organisational base to challenge the leadership of the Labour party in the way that the trade union leaders now can. Whereas in the 1920s, '30s, '40s, '50s and even '60s the key political struggle inside the Labour Party was that between the constituency parties and the leadership (with trade unions frequently standing to the right of the leadership), now the organisational decline of the local parties makes such a conflict extremely unlikely, and its significance less even if it does occur. This point is confirmed by the whole trend of recent years. If we look merely at the annual conferences of the Labour Party what we typically see is a struggle between the constituency labour parties, who continue to cast their votes for people like Barbara Castle, and the trade union leaders. Even in the event of a resurgence of the CLPs, it is clear that the core of opposition to the party leaders will remain the trade unions. It is in the light of this situation that revolutionaries must consider their tactics and strategy.

WHAT NEXT?

It is of course impossible to foresee in detail the short term course of the class struggle in Britain. What however is clear is that there is no possibility of British capitalism solving its economic problems. This rules out a period of reforms granted through Parliament. If there is a real struggle it will come from the trade unions. This will continue the situation where their leaders are the main alternative pole of attraction to the present Labour leaders.

There may of course be a revival of activity inside the constituency Labour parties, and particularly inside the LPYS, in the coming period. If this occurs then obviously some revolutionary forces may have to concentrate their efforts on these groups. However even if these do revive, the core of any oppositional movement will be the huge organised power of the trade unions. The main line of argument for revolutionaries would be to argue that the Trade Unions should impose their will on the Labour party conference so as to create a state of continual conflict between the unions and the parliamentary party. This would also really put people like Foot and Heffer on the spot.

The tasks facing revolutionaries are therefore twofold. On the one hand they must of course continue to put forward their traditional slogans of nationalisation, workers control, etc. which present an alternative policy for the working class and which educate people as to the nature of the leaders of the working class movement. But you do not build a real movement simply by putting forward chunks of the transitional programme at the appropriate time. This is a view of politics which consists of "unveiling" the programme as an instrument of recruitment and not of struggle. It fails to understand that the relationship between the working class and a political organisation, especially a revolutionary one, is never a direct one but is mediated through a whole series of organisations, and that to say "build the alternative leadership" settles nothing.

As we noted the main struggle in the present period is going to be between the trade union movement and the capitalist class and between the trade unions and the Labour leadership. In this situation it is not the task of revolutionaries to say that workers must first go through the "stage" of engaging in years of impossible struggle inside the constituency Labour parties. On the contrary, the task of revolutionaries is to say, "Yes, we agree that the trade unions are at the moment the only organisations actually fighting the bourgeoisie, and that it is therefore necessary to work steadfastly within the unions. But it is impossible to fight capitalism's attacks simply through trade union action. If you believe the trade unions are a weapon of struggle then you must see that they must also become a political weapon. They must impose their policy in the political arena. They must become the core of a political movement against the present leaders of the working class. In short, any anti-capitalist, that is to say, workers' government must base itself on the trade unions and the trade unions must become the key

instrument in struggling for such a government." It is this orientation that the slogan "A workers' government based on the trade unions" indicates. It indicates a line of advance and not some abstract and immediate call for the dictatorship of the proletariat. Neither is it a slogan to be counterposed to a call to vote Labour at any General Election. Nor is it a substitute for concrete demands aimed at showing the real nature of the Labour leaders. It simply lays down the main line of argument and development for a real struggle against the present Labour leaders, and it retains that validity whether that struggle is conducted mainly inside or outside the Labour Party. It can, of course, in certain circumstances become an agitational demand and one counterposed to the Labour Party. This would be the case if, as can be by no means ruled out, any future Labour government entered a coalition with the Tories to "save the country", "prevent anarchy", etc. In these circumstances it becomes a direct call to the Trade Unions to break with the Labour Party and organise politically independently of it. In the coming period however its main significance is to define an orientation of making the trade unions into the core of a struggle against the Labour leaders, and making trade unionists conscious of the fact that this is the case.

In short the position as regards the Labour Party is as follows: Organisationally it has suffered a catastrophic decline. This must however not be confused with an ending to its ideological domination of the working class. This hold cannot be broken without a struggle inside the labour movement. The task of revolutionaries is to heighten this struggle by increasing at all times the tension between the Trade Unions and the Labour Party. Such an orientation is summed up in the slogan "A workers government based on the trade unions". It is only by adopting such an orientation that socialist demands for workers control, nationalisation, etc. ceases to be mere propaganda and become instruments of struggle. Without it the only answer you can give to a worker who says "I agree with your policies, how am I to organise to implement it", is to say "join us" and that is a formula for a sect not a struggle. The agitational demands which flow from this orientation say "organise politically inside the trade unions, use your trade union as a way of organising to fight for these policies inside and if necessary outside the Labour Party." It is only in this way that demands for nationalisation & workers control move out of the realm of 'exposure' politics and into the realm of the class struggle.

A. Jones

(1) Lloyds Bank Review April 1969 - (2) There are 8 constituencies with more than 3,000 members, 14 with more than 2,000 - (3) All figures from the "Guardian", 18.1.71

(4) Lenin expressed this brilliantly when he wrote in reply to a speech by a delegate to the Second Congress of the Comintern. "He called the Labour Party the political organisation of the trade union movement, and later repeated the statement when he said that the 'Labour Party is 'the political expression of the workers organised in trade unions' ... the concepts 'political department of the trade unions' or 'political expression' of the trade union movement are erroneous. Of course, most of the Labour Party's members are working men. However, whether or not a party is really a political party of the worker does not depend solely upon a membership of workers but also upon the men that lead it, and the content of its actions and its political tactics. Only the latter determines whether we really have before us a political party of the proletariat. Regarded from this, the only correct, point of view, the Labour Party is a thoroughly bourgeois party." (Vol. 31, p. 256).

(5) This is why "Labour to power on a socialist programme" is such an atrocious and openly revisionist slogan. It appears to suggest that the Labour party can, presumably under "mass pressure", actually adopt socialist policies. This is made quite clear in the leaflet which the SLL gave out at the Liaison Committee meeting in London earlier this year. This said that when the working class could force a general strike, "it would be able to deal with the traitors in its own ranks, therefore LABOUR TO POWER ON A SOCIALIST PROGRAMME". Apart from being the most complete revision of everything Marxists have ever said about the Labour Party, this forgets such little things as the experience of 1926 in Britain, 1961 in Belgium, 1968 in France, and innumerable other such occasions.

Of course not everyone who advances the slogan of Labour to power on a socialist programme believes that the Labour Party can accept a socialist programme, they merely believe that you can build a massive movement of the working class on a slogan which you are simultaneously saying it is impossible to achieve. Unfortunately for this line of reasoning the working class is not quite as stupid as those who go in for this type of "thought".

SAOR EIRE MANIFESTO

Earlier this year (1-15 Jan.) the Mole published an interview with a leading member of Saor Eire; this followed a fierce witch-hunt in the Free State, in which alleged kidnapping plots involving Saor Eire were used as an excuse to re-enact the Offences Against the State Act, which means that dissidents can be interned without trial.

Now we have received the following manifesto, in which Saor Eire explain their policies and methods of struggle. We publish it in the belief that it is an important contribution to the discussion on the way forward for the Irish revolution.

MANIFESTO

It was England's final and total victory which threw the mass of the Irish people down into a condition of unbridled class slavery from which we have never yet succeeded in fully emancipating ourselves though we have never yet, and never will—as the risings in each generation testify—cease to struggle against that enslavement.

Imperialism in Ireland must be overthrown because it has never meant anything, but foreign domination and oppression of our people, despoliation, economic exploitation, and absolute subordination to the military and economic needs of the British ruling class, a permanent wasting away of the human resources of the nation and finally the mutilation of partition, imposed by the British Empire and bringing with it chronic economic stagnation on both sides of the Border and the institutionalized division of the working class in the 32 counties. It must be smashed and replaced by a socialist system which reincarnates amidst modern conditions in Ireland the best communal values and principles of the ancient Gaelic tribal society which was wiped out by the successive assaults of feudal and capitalist England. The map of the occupied North shows this clearly as does the increasing political and economic dependence of the Irish Free State on Imperialism with its resulting misery and exploitation of the Irish people. Revolution is now on the agenda and whether it will be brought to fruition in this epoch is now a matter for revolutionaries.

The National Revolution: Failures and Possibilities of Success?

The cause of the failure of the Irish National Revolution has been basically a political question. The argument has been advanced by very genuine and sincere Republicans that if only we could have kept on fighting, victory would have been ours. They saw the lack of support among various sections of the community and any real signs of gain in this field as purely "military" questions. This has been one of the main failings of the movement and the realization of the necessity for revolutionary politics has resulted in a political backlash where today we have the position that any brand of "socialist" politics is better than none. During the Civil War the inability of the Republican cause to break outside the narrow political confines set by the Free State, led to its military defeat. For example in the west of Ireland the land courts, which had been in operation for some time beforehand, predestined the defeat of Republicanism in the West or at least the lack of enthusiasm for the cause there. When these courts took back the land which the landless men had seized they took back their "Republic". As every section of the people has its own economic interpretation of the Republic so also had the farm labourers—up them it was land. To the workers it was economic holdings and properties of British Imperialism.

If we look at the main programmatic points of any national democratic revolution we can see that they are basically three:

- (1) National Unity
- (2) Economic and political independence
- (3) The land question

These were basically the three aims of the Irish National Revolution and as yet they remain to be solved. The National Democratic Revolution has yet to be completed in Ireland. This struggle has been waged for fifty years by various political identities, on various fronts, without any

results and without any foreseeable successes. Parties ranging from Fianna Fail to Clann na Poblachta to the present day Sinn Fein have all sought, in their time and in their way, to complete this unfinished revolution. Their reasons for failure are diverse but it is basically one of politics. They failed to understand and were incapable and unwilling to grasp the dynamics of the Irish Revolution and the inter-relationship between its Socialist and Nationalist aspects. Connolly stated "if you remove the English army tomorrow and hoist the green flag over Dublin Castle, unless you set about the organization of the Socialist Republic your efforts would be in vain. England would still rule you. She would rule you through her landlords, through her financiers, through the whole army of commercial and individualist institutions she has planted in this country and watered with the tears of our mothers and the blood of our martyrs". This piece of Connolly's writing has been relegated to a series of clichés on the Irish political scene and political parties are content to mouth such phrases as a substitute for formulating a programme which would show how the changing of property relationships is intertwined with the expulsion of British Imperialism. For tactically it is a question of identifying the enemy and deciding where the real enemies of Irish independence lie, of realizing that the Free State ruling class is one of the loyal custodians of H.M. garrison in Ireland, and that only those who want to root out their system, root and branch, who are prepared to go all the way against the Free State can really oppose that master, British Imperialism.

Free State Friend or Foe? One's concern should be given to the validity of " slogans" and more emphasis placed on the tactics and strategy necessary to carry them out. What determines the nature and outcome of any revolution is the programmatic methods and strategy and not the slogans. It matters little whether you are for a "Republic" or for a "United Workers' Republic" on the subject of a unitary strategy can be agreed upon. If a "pure" Republican accepts the three points shown above as the basis of independence then it necessitates that his struggle must be in the 32 County context and not solely confined to the North. The Free State has not just political or economic independence from England and neither has the land question been rationalized. The Land Commission and the Land Act undoubtedly broke up a lot of the old estates but they did not make agricultural employment an economic proposition. Witness the depopulation of the West and the drift back to the creation of large estates.

Fianna Fail having failed in the thirties to build an independent capitalist economy have been forced further and further back into the Empire and depend for their very existence on British Imperialism. All they amount to are the financial supervisors of England's investment in Ireland. For this reason it is necessary to see the fact that using to this war a dogmatic Fianna Fail line as a basis for Irish independence as Imperialism is. The Irish Free State since its inception has marred far more Irish patriot in suppressing the independence struggle than the forces of Imperialism have. This necessitates that at some stage during the Irish Revolution it will be necessary to defend ourselves against the forces of the Free State. If the political reality of such a position is not grasped then we are doomed to failure. During the last campaign (1955-62) this was precisely one of the contributing factors to the defeat of the I.R.A. Young men who had risked their lives in border raids were ordered by an opportunist leadership to walk mildly into the Carragh concentration camp. The political leadership of the "official" movement today are still no nearer discovering a political solution. If they try and make the best of a bad job and enter the Dail and Stormont the system they denounce will just swallow them up. Experience from Fianna Fail to Clann na Poblachta shows that irrefutably. These so called "left wingers" are more reactionary than any so called "right-wingers" they might have deposited. For though they may indulge in "socialist" phrase-mongering they have divested the Republican Movement of its revolutionary potential by dismantling and undermining its armed wing. They talk of two stages in the Irish revolution. First we establish territorial unity and then we tackle the question

of property relations in the 32 counties. What do they think the Free State will be doing while they are trying to unite the country? There can be no distinct, separate stages in the Irish revolution. True there are stages, but these stages overlap each other and the tasks posed are inter-woven, thus giving an uninterrupted revolution which will drive out the forces of British Imperialism and their agents once and for all from Ireland. Unless this lesson is grasped by Republicans we are assigning ourselves to endless defeats.

One Method of Fighting

Based on the premise of the necessity for armed struggle and the need to mobilize and radicalize greater masses of workers, small farmers and students, an overall strategy and programme must be developed. To limit the struggle to the confines of purely political parties and groupings is to relegate it to a process of endless discussions, ineffective motions, resolutions and debates and to sidetrack it into a political whirlpool. There are enough parties and groups in existence at the moment who claim for themselves the leadership of the coming struggle. It will not help to create another such organization. Action will test the validity of each distinct political philosophy and it is only in action that leadership will be developed. New strategies and tactics must be developed for the Irish situation. Rural guerrilla warfare in relation to high topography and modern technological developments must be placed in its proper context and more emphasis placed on the urban guerrilla. Sabotage throughout the country, action by small independent groups and political work among the masses must be the order of the day. Separate revolutionary groupings must be formed to confuse the police and in the interests of security. The banks and the State have all the resources, funds and armaments, to supply these groups and at a later stage a guerrilla force can be created.

Since our inception we have striven to inject the concept of political action into the blood stream of Irish revolutionary politics. This concept of revolutionary struggle, new to the sense that tactically and strategically it has not been used in Ireland during the present epoch, is as old in essence as the struggle against British Imperialism itself. The idea of a national revolution in 1916 was basically built around the belief that a small group of armed men could by making what Pearse called a blood sacrifice act as a detonator for the initiation of the fight for national liberation. None of the leaders of Easter Week 1916 believed that their action, taken in isolation from the rest of the country and surrounded by an uneducated population would in itself have the immediate effect of freeing Ireland. What they believed was a blowing of the spark which assumed two weeks later into the fire of civil war. Their action was a detonator for a popular explosion. All actions in present day Irish politics should be viewed in that light.

Relationship with the Mass Movement

What is needed is a movement that is one step ahead but still in contact with the people and not a party which ends tail-ending the mass movement at its present stage of development. The objective conditions for a revolution must not be waited upon but must be created from the material already existing. The inability or unwillingness of any party or group and their lack of success in this field has made it imperative to create small armed groupings who can take an active part in creating these necessary conditions. There are sufficient diverse political groupings in existence at the moment and the creation of one more will only lend further to the confusion already existing. Thus such a movement must draw for its support and manpower on these same bodies and carry the struggle to a higher plane. There is no contradiction between the building of armed groups and the building of the mass movement. Such actions as they will carry out whether they be armed insurrection in some labour dispute, the redressing of a social evil, or attacks on State property or its servants, will show to the people that there is in existence the means and the

methods to combat and defeat a bureaucratic capitalist state. Such actions will focus the attention of the people on the wrongs and evils that exist in our society and will expose the dictatorial character of the state machine in its unwillingness to abrogate its privileges.

In theory at least, Republicanism is nearer to this correct tactical approach than the more developed Socialist groupings. It is not the quantity of Marx digested that makes a revolutionary but the ability to prepare for, take part in and make the revolution that matters. Some Socialist groupings, for various subjective reasons, hold to the belief that the mass of the people must be politically conscious and that the objective conditions must be ripe before we start to make this revolution. Such attitudes will condemn them to endless discussions, the continual analysis of actions after the event and eventually to political extinction.

What elevates the actions of Saor Eire to a serious revolutionary platform is the attempt to weld this political and military struggle into one unit. Any attempt in recent Irish history to perform such a task has resulted in an unbreakable alliance with either a degeneration into conventional reformist politics or a merger in a group of a purely militarist nature.

Saor Eire was founded by the likes of 1000 members of the Irish Republican Movement and the Irish political left. We were then only a small revolutionary group with almost no resources. We were starting from scratch on a line of struggle which had defeated groups of greater numerical strength than ourselves. We were a small group of old Irish men who had not carried out any revolutionary action which would have distinguished us from the numerous groups and organizations that were involved in unproductive discussions. Our first step was to expropriate for this revolutionary action we were in a position to form a group, small groups of revolutionaries, and equipped with whatever weapons were available. Whatever support we commanded was solely on the basis of our revolutionary action. At the start the authorities regarded these actions to be the work of armed bandits but when certain of our actions were claimed by some realized their mistake. They still however resorted to the old terminology, "armed bandits", "criminals", "gangsters" etc. With this form of defamation we have much in common with the revolutionaries of other countries.

From the very beginning we have used revolutionary warfare to attack the interests of the ruling class and imperialism in Ireland. It is only through revolutionary warfare that the people of Ireland will truly achieve the goal which has been sought for unintermittently over the many past centuries of unquenchable struggle and sacrifice for freedom. Republican Ireland has been at war with the Free State since its creation. There may have been ceasefires but no treaties were signed and in the not too distant future it will be necessary to take up this struggle again.

GLOSSARY

Saor Eire—Free Ireland (pronounced say-er ayre) **Free State**—the 26 county regime in the south of Ireland which was originally called "Saorstát Eireann" (Irish Free State). Republicans refuse to recognise it as the Republic.

Gambler—Money lender.

Mellowes—Liam Mellowes, Republican who was murdered by the Free State during the Civil War. His writings from prison stressed the need for a socialist goal for the Republican struggle.

Fianna Fail—the present governing party in the Free State; initiated as a split from the Republican movement by De Valera, it originally flirted with Republican phraseology, but is now a direct agent of British imperialism in Ireland. **Clann na Poblachta**—another split from Republicanism, at first even more demagogically Republican than Fianna Fail, but at the first opportunity it went into a reactionary coalition government, and proceeded to persecute Republicans viciously. Fortunately now extinct.

Sinn Fein—the political wing of the Irish Republican Movement; it split last year, and there are now two parties calling themselves Sinn Fein, the Officials (Gardiner Place), and the Provisionals (Kevin Street).

Pearse—Padraig Pearse, one of the main leaders of the Easter Rising of 1916.

THE YUGOSLAV WORKER IN TRANSITION



Zagreb Television recently broadcast the results of a public opinion poll conducted among the inhabitants of the Republic of Croatia (a representative sample of two thousand) in which they were asked to state their opinion as to the most urgent problems facing the Yugoslav government today. The results are listed here in the order of importance:

| | |
|---|-------|
| 1. emigration of labour | 15.8% |
| 2. unemployment | 14.6% |
| 3. existence of privileges, undeserved high wages, personal enrichment | 12.2% |
| 4. gap between government promises and their execution | 9.3% |
| 5. contrast in the security of wages of the civil service and the insecurity of workers' earnings | 6.5% |
| 6. insufficient control over political leaders and officials | 5.9% |
| 7. economic soundness of the productive units | 5.7% |
| 8. national inequalities | 4.3% |
| 9. inequalities in the division of revenues, irregularities in self-management | 3.8% |
| 10. insufficient Republican powers in relation to the federal centre | 2.9% |
| 11. military readiness of the army and civil service | 2.6% |
| 12. wide powers of banks and re-exporters [special type of bank] | 2.2% |
| 13. no problems | 0.9% |

The remaining 13.3% were "don't know" and "not sufficiently informed".

The answer no. 7 is related, in part, to one of the more important problems endemic in the Yugoslav economy today. (More information will be found further on.) In the aftermath of the fast devaluation of the dinar (1965), the economy has over-extended itself and many projects have been started without financial resources necessary to complete them. This has meant cutting down on and even abandoning investment commitments (for example, the building of tourist infrastructure along the coast), which has resulted in unemployment and wage reductions. One further feature of the table above is the relatively low rating of problems dealing with the question of the Republican independence from the federal centre and with national inequalities, this being somewhat unexpected given the recent resurgence of the national sentiment in Yugoslavia.

The more important answers can be illustrated with references to the recent vicissitudes in the Yugoslav standard of living and to the problem of labour emigration. The successive devaluation of the dinar ('65, '68) has not had the expected beneficial effect on the economy. Trade figures for the first three months of this year show an increase of the already large deficit of the balance of payment. In comparison with the first quarter of the last year, exports have remained stationary while imports have gone up by 45%. Comparing March with February of this year, imports are up by 44%—showing in relative values a repetition of the last year's foreign trade pattern. The galloping inflation has hardest hit the lowest income groups. Already in the first quarter of this year the cost of living is up by 4.5% on last December's, itself risen beyond the level predicted by the government economic experts. The food prices only have gone up by 6%. The Yugoslav trade unions are up in arms as the economic difficulties, coupled with the political uncertainty, has made the material conditions of the Yugoslav worker's life precarious, to say the least. Threats of general strikes have been articulated within the trade union movement as well as in the Federal Assembly. The secretary of the Trade Union Federation Council, Mustafa Pjajkic, has recently declared that the Yugoslav population is not sharing the burden of the economic reform to the same degree but that the already privileged layers are actually protected from carrying this burden to the detriment of others. He gave two examples he had in mind. While the prices of basic foodstuffs as well as of domestic oil and electricity have rocketed, the consumer goods typical of "higher standard" are selling at hardly altered rates. At the same time, rents of subsidised and cheap flats have gone up considerably when those of more luxurious apartments are actually being subsidised against the increase, and "we know who lives in them". The effect of the economic crisis is even worse in the agricultural sector where at any time 60% of the employed enjoy an income considerably below the Yugoslav standard (below 1,000 vs 1,200 dinars a month). This has forced the Federal Executive Council to consider the ways of stabilising prices but the suggestions considered are usually of the "bootstrap" kind: fixing prices for agricultural products, selective tax reduction, supplies from food reserves, etc. This means a bleak prospect for the Yugoslav worker—in particular as from

January 1st of this year no economic development plan exists. The old plan was supposed to be revised but due to political uncertainties (dismantling of the federal state appeared to be a possibility) nothing was done.

As for the export of labour, one million (out of twenty million) Yugoslavs are at present working abroad: mainly in France and West Germany. The exodus of unqualified but also badly needed qualified labour has reached such proportions that the Federal Government has been considering ways and means for attracting back some of these "foreign workers"—without producing an avalanche of returns. In this process the complex relationship of the phenomenon to the Yugoslav political and economic life has been highlighted. A formula of "100,000 circulation" is thought to be optimum for the economy. According to this formula, 100,000 workers would return and 100,000 leave each year. There are difficulties however. First of all, the "foreign" worker will return only if there is a place waiting for him and it is not easy to find 100,000 jobs in Yugoslavia today. Then there is the problem of how to attract only skilled labour (previously trained or with skills learnt abroad). This could be accomplished by economic incentives but creation of a preferential category of this kind would not reflect well on the Government's political image. Even if jobs and material benefits could be guaranteed, this policy would come in conflict with the economic calculations of foreign governments, West German in particular. It is clear that a West German employer, having trained a foreign worker, will want to keep him as long as there is the shortage of local labour and would not be happy with uncertainties that would be a necessary cause of such a measure on the part of the Yugoslav Government.

An important dimension of the labour immigration is the role that "foreign" workers' savings play in the Yugoslav trade balance. It appears to be one difficult to dispense with, as without this influx of foreign currency, the balance of payments would be at least twice as negative as it is today. On the other hand, if the Yugoslav economy is to stabilise at a relatively competitive level, it will need trained labour. The Congress of Self-Managers, which took place on 5-8th May, was supposed to discuss these urgent questions in the presence of 46 delegates from abroad attending the Congress with full voting rights.

According to *Le Monde*, and in the momentary absence of Yugoslav press reports, the Congress proceeded in a most critical tone. Attacks were voiced not only against bureaucrats and technocrats (according to some delegates corrupted managers should be removed at once) but against the political leadership whose disagreements, some felt, has aggravated the economic crisis. Delegates insisted on a more egalitarian division of revenues, improvements in the fiscal system, struggle against "etatist" elements, help for agricultural producers, etc. The material insecurity of the low-paid workers was contrasted with the personal enrichment of some. The President of the Federal Government, Mitja Ribitichich has, in his turn, called the attention of the Congress to "the seriousness of the economic situation and the possible danger of social conflict". According to him, "inflation, and instability, and devaluation of the dinar are the worst enemies of the working class."

His address ended with some economic arguments which are reproduced here.

1. The number of enterprises that were incapable of fulfilling their financial obligations in 1970 has gone up by 69% on the same period of the year before.
2. The loss suffered by various enterprises reached last year a figure of 4,552 million dinars, only a quarter of which has been balanced.
3. The foreign trade deficit has gone up to 27,940 million dinars. Out of 679 controlled enterprises, 237 will be called to account for illegal realisation of 440 million dinars.
4. The state has lost 33 million due to mismanagement in a number of enterprises. 22 million of this has gone to the banks which are supposed to control the economic activities of the enterprises.

In conclusion he pleaded for greater "legality and social discipline". What will follow is difficult to predict in particular as no detailed report on the urgently called meeting of the Yugoslav political leadership which took place a few weeks ago at Brioni (Tito's summer residence) is available. It is significant that the Congress did not approve legalisation of the right to strike as had been generally assumed by the Yugoslav press before the Brioni meeting. The figures presented here give only a partial indication to the economic background of the Yugoslav internal political dynamics.

Radoje Horvat



The Labour Party has a desperate need of myths. 1931 and the betrayal of "a few renegades" finds its necessary complement in rosy memories of 1945 and the "bloodless revolution". Images of Churchill's Rolls leaving the Palace to make way for Attlee's Standard 10, smiling miners chalking "people's coal" on the seams and grateful pensioners trying on their spectacles all appear to form a justification for the Labour Party—past, present and future.

It was far from certain that the Labour Party would break from the wartime National Coalition Government after the war. Attlee saw no pressing need and wrote of the coalition: "I have very pleasant memories of working with my colleagues in the Government. It was seldom that any Party issue arose to divide us." But there were larger forces at play than the wishes of Labour leaders. The working class had been radicalised during the war and were certain that they would not have back the old Tory gang. They wanted a radical change. They thought that the Labour Party would carry through that change. This pressure was reflected in the December 1944 Annual Conference of the Labour Party when the delegates insisted on a policy of large-scale nationalisation to be "democratically controlled and operated in the national interest, with representation of the workers engaged therein and of consumers." There could be no coalition and it was only Harry Pollitt and the CP that called for a government of "national unity" including representatives of all Parties supporting the decisions of the Yalta conference.

After the election—the new era in industry?

Labour won by a landslide. Large sections of the working class expected socialism, although they were a little hazy as to what that meant. Certainly some Tories thought so. The morning after the poll there was a rush on Wimbledon Post Office, in response to the victory of the Labour candidate, by frightened Tories who wished to withdraw their money before the revolution began.

It is true that the Labour MPs sang the "Red Flag", or as much as they could remember, at the first meeting of the new Parliament, but worse than that the Wimbledon Tories did not have to suffer.

British capitalism had come out of the war in a very bad state. In 1938, its foreign investments had gained a net profit of £175m but this had fallen to £30m by the end of the war. Invisible "earnings" had fallen from £332m to a minus quantity. Half of the pre-war export trade had been lost to US imperialism. One third of the merchant navy was sunk. The coal industry, which had not been really profitable since the First World War, was in a bad state of repair and its production was down 50m tons on pre-war figures. The railways and gas industry were on their last legs. The electricity industry could only supply half of the demand. It was precisely these infra-structural sectors of the economy that had to be renovated if British capitalism was to get off the ground. Britain was, after the war, the world's largest debtor nation. A miracle was needed to preserve British capitalism, and its name was Clement Attlee.

Woodrow Wyatt was correct to point out that the Labour Government had not dealt any revolutionary blows at the capitalist class in its first period in office. But reforms were introduced in the early months: the first moves were made to repeal the 1927 Trades Dispute Act, to nationalise the Mines and the Bank of England, to establish a National Health Service and national insurance scheme. The measures were not in fact substantially anti-capitalist. The 1919 Sankey report had called for nationalisation of the mines. In reality, it was essential that such industries, that were no longer profitable, should be nationalised and subsidised if British capitalism as a whole was to recover. And, of course, there was no question of nationalisation under workers' control. The nationalisations were bureaucratic and they did not in any way erode



dustry that was potentially profit-making and that was on the nationalisation "shopping-list" was iron and steel. This was the very industry that no attempt was made to nationalise in the first period of Labour rule. Furthermore, extremely generous compensation was paid to the ailing firms that were nationalised. The "expropriated" capitalists were compensated to the tune of at least £3,000m, which they then reinvested in profitable growth industries. This bonus of liquid funds played a major role in nursing a sick British bourgeoisie back to health. But this radical period of Labour Government was soon to come to an end. In June 1946, Herbert Morrison told the Labour Party Conference that, "The Government is as far Left as is consistent with sound reason and the national interest."

Somebody had to pick up the bill for the cost of the welfare benefits, the housing programme and the rescue operation on British capitalism. The working class had to pay. Indirect taxes were raised all round. Stafford Cripps was given the job of dealing with the unions and imposing a wage freeze. In February 1948, Cripps issued the White Paper, "Personal Incomes, Costs and Prices". This argued that "It is essential that there should be no further general increase in the level of personal incomes without at least a corresponding increase in the volume of production. ... Until more goods and services are available for the home market, there is no justification for any general increase of individual money incomes. Such an increase will merely raise costs of production without making more goods available and so can only have an inflationary effect." The message is clear and dreadfully familiar. The TUC, to oblige "their" government, called a special conference of union executives who agreed on a policy of restraint (on and by their members). By the end of 1948 real wages were lower than in 1947. The Labour Government, to a far greater extent than the subsequent Tory administration, vigorously intervened against strikes. Troops were used in the 1945 Dock strike and again in 1949 during the solidarity actions by the dockers with the Canadian Seamen's Union. The self-avowed left-winger Nye Bevan dragged dockers militants to court in 1951 and Hartley "we-are-the-masters-now" Shawcross prosecuted. One of the major feats that Labour carried out for British capitalism was to keep the real rise in wages from 1945-51 down to 6%—1% per year of Labour rule!

Steel nationalisation

The nationalisation of iron and steel was a key issue for the Government. This industry was decisively different from those previously nationalised. It had had large sums recently invested in it and was confidently expected to become profitable again in the near future. It was also a manufacturing industry that controlled the heartland of British industrial capital, ship-building, motors and engineering in general. It was, therefore, quite apparent that the bourgeoisie would oppose this measure vigorously and consequently, if the Labour Party seriously intended to nationalise the steel industry, it would

Government would have to force this nationalisation through in the early years of its office while it was strong. As mentioned above, Morrison ensured that this did not happen. Instead, Dr. H. J. van der Bijl was brought over to explain how the South African nationalised steel industry worked. His job was to convince the British industry that nationalisation was not such a bad thing, that it might bring advantages and that participation on the Iron and Steel Board to help plan for nationalisation would be wise move. At the end of 1946, the British Iron and Steel Federation agreed to help on the Board and took over a series of leading positions. The Board itself did nothing, but in April 1947 the Government decided to nationalise during the '47/48 Parliamentary session. As a result of this decision, the chairman of the Iron and Steel Federation, Sir Andrew Duncan, contacted Attlee with a "compromise" formula. The Iron and Steel Board should have increased power over the industry. It should take over the information services of Steel House (home of the BISF). The Board should be in a position to recommend that the Government should nationalise any particularly inefficient or recalcitrant firm. The Government would have no powers to nationalise without the Board making such a recommendation! Attlee was enthusiastic about the scheme and told Morrison, "... this scheme is good ... I like these ideas very much, and I'll certainly support something along these lines." The sell-out was too much for the Labour left and a subsequent revolt stopped the deal. The result was a waste of time that meant that plans for nationalisation had to be shelved for a further year.

The second reading of the Bill took place in late 1948. The Bill had turned out to be a modest affair in that the names, administrative structures and boards of directors of the firms were to be preserved. But the capitalist class was feeling more confident. The Labour Party was outliving its usefulness in office. A general offensive was launched. The Tories tabled 480 amendments to the Bill. The House of Lords, which had been very quiet in the early years of Labour rule, began to impose conditions and delayed the operation of the Act until October 1950 which was after the date of the next general election. Labour managed to win the election of April 1950 by a small margin. The Minister of Supply, Strauss, approached the Iron and Steel Federation for a list of suitable names from whom he could pick members of the nationalised Corporation. The BISF refused. The Government, they replied, had not obtained a clear majority at the polls! Strauss denounced the steelmasters: "This is not a question of a number of people individually and independently coming to a decision that they do not want to serve on the Corporation. This is concerted action by a number of people for the specific purpose of sabotaging an Act of Parliament." This of course was perfectly true. The British bourgeoisie fetishize Parliament for just as long as is profitable. Anyway they were going to get away with it, since the Labour Government

do that to the steel-masters. Eventually, a Corporation Board was assembled from the usual collection of businessmen (Hardier, the head of British Oxygen, was chairman), retired soldiers and career diplomats. In February 1951 the steel industry was "transferred to the people". The Tories returned to power on 25th October 1951 and had effectively annulled the nationalisation of steel by 13th November—three weeks of resolute action was enough to destroy five years of Labour caution.

Welfare or warfare?

In Home affairs the Labour Government could point to their welfare reforms and house building programme to cover up for their total lack of socialist direction. But on foreign affairs their record was totally appalling. The "liberation" of India was a mere bending to necessity with partition and massacre as an integral part of Labour's generosity.

The

reality was spelt out by an American Secretary of State who, in discussing the Potsdam Conference, said: "Britain's stand on the issues before the Conference was not altered in the slightest, so far as we could discern, by the replacement of Mr. Churchill and Mr. Eden by Mr. Attlee and Mr. Bevin." And that is how the Labour Government went on. Bevin showed himself to be one of the most ferocious cold war warriors either side of the Atlantic. The pro-Nato policy firmly entrenched Labour as one of American imperialism's most reliable allies. From Berlin to Korea, Labour stood firm for peace, freedom and profits. Over the Korean war, Morrison lined up with the most extreme of American hawks and agreed to support an extension of the war into China. It was impossible to separate out an aggressively right-wing foreign policy from a mildly reforming policy at home. A massive rearmament policy at the time of Korea logically led to Gaitskell's budget of Spring 1951 and a balance of payments deficit of over £400m. The budget raised an extra £700m in taxation to pay for rearmament. Once again the working-class were soaked. The National Health Service was savaged as charges were imposed. Labourism was not, from that moment, even welfarism. The high tide of reformism was over.

What is the balance sheet of the '45-51 Labour Government? Its most lasting contribution was to put a shaken British capitalism back on its feet. An export trade of £920m in 1946 had been expanded to £2254m in 1950. The initial work of the Labour Government in economic planning and even nationalisation was welcomed by such influential bourgeois spokesmen as Lord Chandos and Lord Kilmuir. It was not until the proposed steel nationalisation that the FBI decided that further taxation, welfare and nationalisation might in any way disturb the balance of capitalist power.

The whole experience of this period verifies that the role of reformism is not to weaken but to strengthen capitalism. It would be totally false, however, to imagine that large sectors of the working class saw through the Labour Party. In fact voting figures, admittedly not a very satisfactory measure of consciousness, show that the Labour Party won 12 million votes in 1945 and 14 million in 1951. Those Marxists who, fatally underestimating the ideological hold of Labourism, saw Labour as a "Kerensky government" that would be tossed aside by the workers, paid a heavy price in terms of their ineffectiveness and the defections to the Right that they suffered. Equally, the proposition that the logic of events and long resolutions from the wards would expose Social-Democracy was discredited. Marxists, while rationally and soberly understanding the strength of Labourism, have themselves to combat Social-Democracy by explaining the role of the Labour Party in specific and non-abstract way and by leading struggles that concretely pose an alternative in practice to reformism.

WHEN RENAULT SNEEZES

THE FRENCH BOURGEOISIE CATCHES COLD

The occupation of the Renault factories in France is an event of the greatest significance. In particular it represents a real step forward in the struggle against the French Communist Party (PCF).

The original dispute in the present struggle was at the Le Mans plant where for some months the workers had been fighting a vicious job evaluation scheme. Matters finally came to a head on Thursday April 29th and the workers at Le Mans occupied the factory. Meetings were held in solidarity with Le Mans at the other main Renault factories-Cleon, Billancourt, Flins. The management retaliated with a lockout. The situation was then posed as to whether the workers were to back down or to heighten the struggle. They responded first by occupying Cleon and then Billancourt. If the management now wished to continue the lock out it would have to fight a pitched battle to evict the strikers from the factory. The result was the largest factory occupations in France since May-June 1968. In European terms what it means is that the Renault workers are once again showing that the best way to defeat the capitalist class is not to let it take the initiative, but to take the employers by the throat right from the start. In addition the Renault workers are once more showing that the factory occupation is one of the most effective forms of working class struggle.

The role of the French Communist Party

The French Communist Party for over 30 years has completely dominated the political life of the French working class. It is the most Stalinized Communist Party outside Eastern Europe, and its policies are an object lesson in what a disgusting creature Stalinism is. In internal French politics its antics have ranged from beating and sometimes killing, left opponents, to dilarming the French working class in 1954, and ending the factory occupations in 1968. Its internal policies are nevertheless mild compared to its foreign politics, where at various times it has denounced Algerian fighters against French Imperialism as "Hitlerite killers" and sent messages of solidarity to French troops in Indo-China.

From the revolutionary events of May-June 1968 the PCF emerged dazed. Its massive electoral defeat in that year made it all too clear that it could never claim to be the party of order which it so much wished to be. On the other hand, even the vague 'left' noises which it did make were not sufficient to prevent a rapid growth of revolutionary organisations, particularly the Ligue Communiste (The French Section of The Fourth International).

From June 1968 to the beginning of 1971, the PCF had attempted to deal with these revolutionary groups by declaring that they were composed simply of students. But this became more and more obviously a lie as the revolutionaries gained stronger footholds inside the factories and became capable of organising large demonstrations and campaigns on key political issues. The climax of this period of struggle came when 20,000 demonstrated in support of the Burgos prisoners threatened with death by the Franco regime, and in full scale physical confrontation with the Fascists when the Ligue Communiste and other organisations decided to break up an election meeting of the Ordre Nouveau (French Fascist Organisation). This action was supported by large sections of Socialist and Communist workers.

All these actions put tremendous political pressure on the French CP. But the final straw came for it on May 1st on the traditional May Day parades. The PCF and the Trade Union Federation under its control, the CGT, tried to prevent revolutionaries marching on these parades. The revolutionaries replied first by organising their own parade in Paris, which was attended by 15,000 people, and then by marching on the CGT demonstration. Most important of all, the other main trade union federation, the CFDT, was completely split down the middle on whether to support the revolutionaries or not. In Paris itself, many CFDT members march-



ed with the revolutionaries, and outside Paris, in many areas the CFDT insisted on the right of the revolutionaries to participate in the parades. It was now impossible for the PCF to assert that the revolutionaries were not part of the working class movement. The PCF therefore decided to resort to methods of physical violence against the revolutionaries. It found a pretext in the daubing of the tombs of two ex-leaders of the PCF, Thorez and Cachin (an act almost certainly carried out by the police.) The PCF declared that the revolutionaries were responsible and that they were 'fascists'! At Renault and La Courneuve, a suburb of Paris, they organised gangs to attack the revolutionaries including members of the Ligue Communiste and the OCI-AJS with razors, clubs and flick-knives. Unfortunately for the Stalinists however the revolutionaries are no longer so tiny that they cannot hit back. In particular, the PCF's action has met with a horde of condemnations from within the French working class movement itself. In addition the Fourth International, on Sunday May 16th, held a demonstration of 35,000 to mark the centenary of the Paris Commune. This did not fit in with the PCF's portrayal of the revolutionaries as a 'mere handful' and dented their confidence. The final straw however is the Renault strike.

The French Communist Party and Renault

Even after the occupation of the factories, according to the PCF there was no strike at Renault, and the factories were occupied "to protect the property of the people of France" against sabotage. This line was a bit much even for the experts in double talk of the PCF but was forced on it by the previous lies of the French Communist Party in Renault.

First of all the PCF took no action in support of the workers at Le Mans and they then declared that the threat of a lock-out was merely a rumour spread so as to scare the workers, they then set about systematically sabotaging the strike.

At Le Mans they used their position to get all votes taken by a secret ballot so as to allow an easy time for the scabs. 1,500 workers left the meeting in disgust. At Cleon, a vote was organised at which there was a massive majority for an unlimited strike. The PCF, acting through the CGT forced a recount. Again there was a crushing majority for a strike. The PCF guaranteed that they would inform the morning

shift of the decision and organise it for the strike. The next morning no representative of the CGT appeared and only the Ligue Communiste militants were there to inform the workers of the action. At Billancourt, the CGT organised a meeting at which they denounced the 'left wing fascists' who were urging a strike. They declared that the problem was one for the Le Mans workers and not for Billancourt.

When the workers went on to ignore the advice of the PCF and occupy their factories, the Party went mad. It declared that the occupations were part of a vast "plot against the nationalised industries", it declared the government was behind the occupations, it declared that the strike would force Renault to lose its position in the car market and everyone would be made redundant.

Unfortunately for the PCF, the workers of Renault have understood that the struggle of the workers at Le Mans concerns them all. In fact this is so obvious to all except the Stalinists that even members of the CGT have distributed leaflets declaring that "when a group of workers have decided to have a strike, the role of trade unionists is not to put a break on the movement. On the contrary, the task is to look for, with the workers, the most efficient way of achieving success. The most important weapon in this is the spreading of the strike until it involves the greatest number of workers possible." When the CGT leader Sylvain tried to speak against the occupation he was first heckled, and then the Billancourt workers followed the revolutionaries and voted overwhelmingly for a strike and occupation.

At the time of writing, the struggle inside Renault has not come to an end. Thanks to the occupation, the workers are in a position of strength, but the PCF is continuing to try to sabotage the strike. It wants the workers to give up the position of strength and unity they have achieved through the occupation and instead rely on the CGT negotiators. If it succeeds in this then the Renault workers may be defeated, but otherwise their position is enormously strong. Whatever happens they have given the PCF one of its greatest shocks in years.

Renault and the French Working Class

The workers of Renault are the vanguard of the French working class. They work in the

most important industry, they have the largest factories, they are amongst the most militant workers in France and they have the strongest union organisation in the country. For the PCF to be defeated, even temporarily, on a question of such importance in this section of the French working class is a fact of enormous significance. It would of course be ridiculous to believe that the PCF's influence will now collapse and its place will be taken by the revolutionaries. On the contrary, even the strongest of these groups together only number a few thousand. But the Renault strike raises in an acute form the great question for the PCF of how it is to prevent the revolutionaries from steadily eating into the Party's support. It is now no longer a question of a few students but of at least the most advanced sections of the working class. At long last the tactics of terror against the Trotskyists are not succeeding as the PCF would wish. The great monolith of the PCF is nowhere near cracking yet, but it is beginning to look slightly mouldy around the edges.

The importance of the Renault strike is by no means confined to France. On the contrary, the workers of Renault show to the working class of every country how to conduct a real struggle with the capitalist class. For the revolutionaries of Europe the events of recent months in France show that if Stalinism can be challenged in its greatest stronghold in Western Europe, then indeed a new period is opening up. At long last Trotskyism will begin to break out of its isolation on the fringes of the working class movement, and when that day comes it won't just be the PCF who will be trembling. J.M.

STOP PRESS

As this issue goes to press the news has just arrived that our comrades in the Argentine with other revolutionaries organized in the Popular Revolutionary Army, have just kidnapped the British Consul. Red Mole sends revolutionary greetings to these fighters against imperialism and expresses its solidarity with their action. Long live the Latin American revolution! Forward to the day when the last capitalist consul and all other such vermin are booted off the face of the earth!