

THE NEWSLETTER

Weekly Journal of the Socialist Labour League

Vol. 4, No 142

Threepence

March 12, 1960

LABOUR MUST FIGHT TORY WAR POLICIES Retain and Strengthen Clause 4

By OUR POLITICAL CORRESPONDENT

Mr. Gaitskell's threat to discipline members of the Parliamentary Labour Party for having opposed his nuclear war policy is a most serious blow against Labour's left wing. There is no fundamental difference between Mr. Gaitskell's policy and that of the Tories. Mr. Gaitskell wants the nuclear weapons built in Britain, the Tories are not opposed to this, but they would like to get as many of these weapons as they can from the United States. Both Mr. Gaitskell and the Tories would use these weapons if the occasion arose; irrespective of whether they came from the US or were made in Britain.

Mr. Gaitskell's discipline threat is the most arrogant yet on the part of the right wing to tie us to the Tory war chariot. It is an action which must be repudiated by every trade unionist and Labour Party member throughout the country. The struggle to force the Labour Party to declare that it will abandon the manufacture of nuclear weapons is now the spearhead of the anti-war fight.

Mr. Gaitskell can be defeated. Already on Clause 4 he sees the red light, while instinctively trade unions, who are in many cases pledged to nationalization policies, are refusing to go along with the right wing's attempt to remove any reference to socialist policy from the Labour Party. As the struggle goes so far, Mr. Gaitskell will be defeated, that is why people such as George Brown are trying to find a middle of the road compromise. They suggest including a further clause which would give Gaitskell what he wants. It is hoped that this unscrupulous manoeuvre will confuse the rank and file and allow Mr. Gaitskell to carry on in the same way as he would have if he had achieved the removal of Clause 4.

We must be on guard against this type of intrigue. Gaitskell has got to toe the line or resign from the leadership of the Labour Party. The forces who can defeat him on Clause 4 will defeat him on defence, if the issues are posed clearly at the next Labour Party conference. Regardless of whatever differences the left might have with MPs such as Crossman, Shinwell, Wilson and Greenwood, they must get our full support in every attempt they make to fight against the right wing. A solid front of opposition has to be built up against Gaitskell and company. In addition to retaining Clause 4, Labour must abandon its present position on the H-bomb and declare that a Labour government would under no circumstances use or manufacture nuclear weapons.

THE SOCIALIST LABOUR LEAGUE

calls upon all

Labour Party members, Trade Unionists and
Co-operators to

LOBBY THE MEMBERS OF THE NEC

Transport House, Smith Square
Wednesday, March 16, 9 a.m.

RETAIN AND STRENGTHEN CLAUSE FOUR

Fascist Merger Sensation

The Newsletter is able to report that after negotiations over a long period the three fascist groups who have so far concentrated in areas with large coloured populations are to unite and form one national fascist organization. This decision has been facilitated by the increasing support from white settlers in the Commonwealth who are anxious to encourage racialism in Britain as a means of prolonging their rule in the colonies. It follows the path of the white colons of Algeria and their tie-ups with the fascist movement in France.

The united fascist movement is planning a series of large public meetings in areas like St. Pancras and Battersea. It is hoping to be able to set up branches in these districts, particularly in Battersea. This branch will be used as a springboard for a concentrated drive against the coloured population of Brixton.

The fascists are also heartened by the response from extreme right wing elements in the Tory Party and the fact that even some people in the Labour Party are looking in a more authoritarian direction. They hope that just as some Labour leaders of the 1930s became fascists so they may be able to drag a few right-wingers in that direction today.

The fascists also look to areas with a predominantly Tory and middle-class character as recruiting grounds for the coming campaigns.

This new merger is one which should be treated with great seriousness by the Labour movement. It will be necessary to build unity between all sections of the movement in order to see to it that the fascist hooliganism and violence which was characteristic of the pre-war years is never allowed to return to Britain.

The Witch-Hunt Against the ETU

A CRITICISM OF THE SOCIALIST LABOUR LEAGUE AND A REPLY

I.A.M. WRITES

More care should have been taken over the phrasing of the statement on 'The TUC and the ETU' (The Newsletter, February 27). The statement contains serious over-simplifications which can cause only confusion.

Firstly, it is highly misleading to write that the 'attack on the ETU by reactionary forces' is bound up with 'the whole fight for democracy and democratic rights inside the trade unions'. Now, in The Newsletter this latter expression can refer only to that fight which, in the particular case of the ETU, is a fight **within** the ETU aimed at **winning** democracy, not **defending** it, and which is directed **against** and not **by** Messrs. Foulkes, Haxell, etc. But the phrasing of the statement implies that the Stalinists of the ETU are in some way defending an existing form of trade union democracy against the attacks of the TUC General Council. I feel that the statement shows some confusion about the meaning of 'democracy' in this context. If we are to defend Foulkes and Haxell in the name of 'democracy' then we must be a good deal clearer about what 'democracy' we are referring to. It is certainly **not** any supposed 'democracy . . . inside the trade unions'!

Secondly, in precisely what way are these moves by the TUC 'related to the plan to remove Clause 4 from the constitution of the Labour Party'? All readers of The Newsletter are aware of the need to link the struggles in industry with the political struggle and in particular with the forthcoming battle within the Labour Party. But when we get down to specific instances this link is often hidden and difficult to establish and one important task of The Newsletter is to do just this.

A REPLY

THE struggle for democratic rights inside the Labour movement poses one very important question: who is the main enemy of these rights, is it the right wing or the Stalinists? In our opinion it is the right wing who bureaucratically dominate the Labour Party and the trade unions. They are the agency through which the employing class seek to coerce the working class by depriving it of rights and liberties which have been won by decades of struggle.

It is true, of course, that the Stalinists would like to stamp out the democratic rights of opponents. In Britain, however, they face a very serious contradiction. The working-class movement is pressing forward in an offensive for improved wages and conditions. The rank and file of the Communist Party are drawn towards this struggle because their instinct is to fight as genuine Communists. They are confused over Stalinism, especially when the right-wing bureaucrats often-times direct their fire at the Communist Party in the same way as they do against the Socialist Labour League. There is, therefore, a strong feeling for unity in action against the right-wing witch-hunters on the part of members of the Socialist Labour League as well as members of the Communist Party.

A beginning of a serious attempt on the part of the Socialist Labour League to explain the pernicious role of Stalinism can only be made when we declare ourselves opposed to a witch-hunt against the Communist Party. Whilst it is true that the leaders of the Communist Party do not reciprocate, nevertheless, such a policy will in the long run rebound against them in the eyes of their rank and file and not against us. The fight for Marxist principles is at times a difficult one, but in the end since these principles embody basic lessons of the class struggle, it is the Marxists who will emerge victorious.

We consider, therefore, that the threat of the Trades Union Congress to intervene in the internal affairs of the Electrical Trades Union is sponsored not only by the right wing, but by

the most reactionary capitalist forces in Britain. These same sources conduct a similar witch-hunt against the Socialist Labour League. The Executive Committee of the League is, therefore, for the establishment of a unity in action against this witch-hunt between all forces on the left to halt the attack on the ETU, irrespective of the Stalinist leadership of that union. If this is done and the witch-hunt halted it will be a great victory for the Labour movement as a whole.

The fight inside the ETU

We know that inside the ETU the Stalinists pursue bureaucratic practices, but these can only be overcome when the Marxists find a common agreement with the rank and file Communist Party members in the ETU as well as other militants who are looking for a lead against the right wing. In our opinion, the mistake of the ETU leadership is that it confines its defence to the rule-book instead of turning the tables on the TUC by calling on the left wing of the trade union movement as a whole to support a programme of improved wages and working conditions and extended nationalization as a real basis of opposition to the right wing. This programme would smoke the witch-hunters out and in particular the unprincipled alliance which exists between many of the TV star renegades inside the ETU, who hide behind the coat tails of the TUC. Not one of these gentlemen has yet declared where he stands on policy. It is time, therefore, that the rank and file of the Communist Party insisted that their leaders pursue this course.

The witch-hunt and the struggle to get rid of Clause 4 are part of the right wing attempts to weaken the Labour movement by destroying democratic rights in order to hold back the fight for a socialist policy. Gaitskell is feeling the pressure of the rank and file and is anxious to get rid of Clause 4. The right wing of the TUC and Gaitskell speak with one voice on this matter that is why, in our opinion, there is a connection between the attempt to witch-hunt the ETU and the removal of Clause 4 from the Labour Party.

THE NEWSLETTER

186 Clapham High Street, London, S.W.4

Telephone Macaulay 7029

SATURDAY, MARCH 12, 1960

THE MINERS' PAY CLAIM

SIR JAMES BOWMAN, ex-trade union leader and now chairman of the National Coal Board, has told the National Union of Mineworkers that there is no money to meet their demand for higher pay. This follows the pattern of the Tories' get-tough policy in the nationalized industries. The experience of the railwaymen, however, has shown that this can be quickly changed when the workers show they are determined to get more wages.

Sir James is not quite right when he says there is no money. There is, for instance, the interest which is being paid on money borrowed to pay the former owners. This could go quite a considerable part of the way in helping to meet the miners' claim.

This is the season to drive back the Tories on the wages front. They are unable to resist a determined stand by the trade unions. The NUM should tell the government that they intend to have the wage increase for their men and if this is not forthcoming then they will prepare to follow the railwaymen's example.

INDUSTRY

ABBEY BUILDING WORKERS' STRIKE VICTORY

By our Industrial Correspondent

Building workers at the Abbey Wood LCC contract struck work after hearing charges against two sub-contracting firms of flagrantly violating trade union agreements, i.e., continuous sackings, failing to stamp holiday cards, operating piece-work systems with no pay slip to check their earnings, and a contemptuous disregard of agreements established by hard struggles in the past.

Despite repeated approaches over a long period to the main contractors, the Unit Construction Company, who are responsible for seeing all trade union agreements are honoured by sub-contractors, no progress was made, in fact it was obvious that Units were giving them encouragement.

The power and determination expressed by the strike and the resolution calling for the removal of the two firms from the site forced the management to guarantee that all trade union and site obligations would be enforced and respected.

An official of the Woodworkers' union spoke to a mass meeting, condemning the notorious conditions for men employed by sub-contractors and calling for branches to send in resolutions protesting at such practices. To this one of the strikers replied that resolutions were not good enough. The policy of the National Federation of Building Trade Operatives and of the Amalgamated Society of Woodworkers was to oppose sub-contracting labour only and to call for the nationalization of the building industry. It seemed that the real initiative and leadership always came from the rank and file, not from the leaders.

After the meeting had agreed to resume work, a further resolution demanding a favourable settlement to a bricklayers' dispute by 12 noon on Wednesday was unanimously carried.

UNITED GLASS BOTTLE VICTORY—MANAGEMENT COULD NOT REMOVE STEWARD

The strike committee of the United Glass Ltd. wish to draw your attention to a serious error in your report dated February 27, 1960, of the United Glass strike.

Brother Morten was not removed from the position of shop steward. He is still chairman of the joint shop stewards' committee and is still functioning in that capacity in the factory. We would be glad if you would make this known in your next issue by printing this letter.

On behalf of the strike committee,
LESLIE G. DOUST (Chairman).
W. MILLS (Secretary).

Since this letter was written Bro. Doust has been interviewed by **The Newsletter**. He explained that it was the strength of the men at the factory that forced the management to continue to recognize Bro. Morten as shop steward and for him to be present at all negotiations, even during his three days' suspension. Bro. Doust said that the shop stewards' committee were otherwise satisfied with **The Newsletter's** report as fair and accurate.

In the meantime, the South-Eastern district committee of the **Amalgamated Engineering Union** have gone on record to endorse the action of the UGB workers and to reaffirm their confidence in Bro. Morten as a shop steward. They have sent these sentiments in the form of a letter to the management of United Glass.

The Newsletter thanks the brothers concerned for this correction to its report on the strike and is pleased to publish their comments.—EDITOR.

RESOLUTION FROM GLASGOW WOODSIDE BRANCH, AEU TO THE EC OF THE AEU

This branch condemns the action of the EC in accepting the 42-hour week without the wage claim in violation of the National Committee policy. We demand the EC immediately convene a special emergency meeting of the National Committee to propose the application of a new claim to consist of the 40-hour week plus a £1 per week wage increase.

If the employers fail to grant this within three months of launching the claim, the EC should prepare the membership for a national stoppage.

INTERNATIONAL HARVESTERS' STRIKE WIN CONCESSIONS

By our Industrial Correspondent

After a week's strike, the management at the International Harvester Company, Doncaster, have been compelled to recognise shop stewards. Stewards are now to have the right to call in stewards from other departments and also to call in the union if they wish. Previously, the firm had refused to regard stewards as union representatives or to permit them to consult other stewards.

This retreat on the part of the management has been obtained as the result of a most determined and stubborn fight on behalf of the workers. Rejecting the offer of the management to recognise union officials as representatives of individual unions, but not collectively as a Confederation, the 2,300 workers at the Doncaster plant took strike action.

The strike committee were quick to point out that International Harvesters make a profit of £5 per week out of their 4,500 employees at their Doncaster, Bradford and Liverpool factories. The committee also insisted that the wage rates paid by the firm are on an average of 1s. 6d. to 2s. an hour less than those earned by other agricultural engineers. As one committee member said: 'The advantages to be gained by winning full trade union recognition are obvious.'

Bradford support

A big assistance to the fight of the Doncaster men was the decision of 200 workers at the Bradford plant to come out in support. At Bradford, foremen formed a line outside the factory urging workers to go into work and they directed their strike-breaking appeals with particular attention to coloured workers. Many coloured workers and foreign-born workers stayed out however.

Following the support from Bradford the management at Doncaster quickly began to bend. They then offered to negotiate concerning union representation providing a return to work took place. Shop steward recognition was given immediately.

For a joint shop stewards' committee

The gains made at Doncaster have also encouraged the workers at Bradford. A meeting of strikers on Tuesday at Bradford decided to return to work on Wednesday and to elect shop stewards in every department. They also instructed their union officials to campaign for the same conditions as have now been obtained at Doncaster.

Significant inroads have been made into the International Harvester's anti-trade unionist front. Now the job is to ensure that these gains are consolidated and used to advance the fight for better wages and improved conditions. An important step forward in that fight would be the establishment of a joint shop stewards' committee embracing Doncaster, Bradford and Liverpool.

London Assembly of Labour Calls For Unity in Defence of Clause 4

The London Assembly of Labour held at Denison House on Sunday, March 6, was a great success. Delegates came from seven branches of the Amalgamated Engineering Union, one branch of the Clerical Workers' Union, one branch of the Woodworkers' Union, one Constructional Engineering Union branch, two electrical Trades Union branches, and one branch of the Plumbers' Union. Strong delegations came from Sir William Arrols, Belvedere, Abbey Wood, Laings and the London Electricity Board. The Lambeth Trades Council was also represented. Two miners came as visitors from Chislet and Snowdown collieries. There were observers and visitors from AEU, AUBTW, AESD, ETU, TGWU, NATSOPA and LTS.

Eight Labour Party youth sections sent delegates, and there were visitors from six Labour Parties. Students came as delegates from Imperial College and University College Socialist Societies and from the University of London Marxist Society. The Campaign for Nuclear Disarmament was represented by delegates and observers from eight of its branches, including a number of youth groups. The total attendance came to 170 delegates and visitors.

BRIAN BEHAN, in opening the discussion, made special mention of the struggle now taking place against the removal of Clause 4 from the Labour Party constitution. One of the points he made was that the Socialist Labour League would be putting forward for consideration by the conference a campaign for the retention of Clause 4 in the constitution of the Labour Party and a systematic fight against the right wing in that party.

BOB PENNINGTON, secretary of the London Area Committee of the Socialist Labour League, emphasized this point further when he moved an addendum to the programme of the National Assembly of Labour for the defence and strengthening of Clause 4 of the Labour Party constitution and a resolution supporting the call for a lobby of the National Executive Committee on March 16.

He said the London Assembly of Labour was very timely. A struggle was developing between the right wing and the working class, who were going more and more on to the offensive. We were not in a period of defeat, we did not say there is nothing you can do. The decision of the Yorkshire miners showed that the working class are ready and prepared to fight, because that coal field had always been regarded as the preserve of the right wing.

The importance of the present struggle in the party was that for the first time the two sides of the movement were linked in a common struggle against the right wing.

GEORGE KING, delegate from the Woolwich CND, said that the Campaign for Nuclear Disarmament had to make up its mind whether it was going to be a pressure group marching up and down to Aldermaston, or whether it was going to be a fighting organization. There were many people in CND who wanted it to become a pressure group for summit talks. 'I don't say these people may not come to agreement at the summit, but it won't be an agreement good for us.'

A visitor from the Reading Labour Party agreed with the mover about the need to bring the rank and file of the trade unions into a common struggle with the Left wing of the Labour Party.

BROTHER EVANS, delegate from the Abbey Wood shop stewards' committee, said that the trouble with us in this country is that we go on too much about words. 'I looked up the word nationalization to see if the Labour Party knew what it meant. What is wrong with nationalization in this country as far as I am concerned is that if we are going to take over industry we should take it over without making any payment to the owners. I speak here as an ex-miner. The mining industry should have been taken over for nothing because the employers made it a broken-down industry. In the first twelve months 63 pits in my area had to be closed down—but the coal-owners had been paid for them.'

The same thing happened on the railways. Machinery was bought which was only fit for scrap.

If we are going to have nationalization let's have it, not only the railways and the mines, but let us take over industries which are doing well—let us take over the building industry.

R. KALBER, delegate from the Willesden CND and a member of the AEU, also spoke about Clause 4. He said that today we had the spectacle of the well-paid union leaders sitting on the NEC of the Labour Party collaborating with Mr. Gaitskell to remove Clause 4 of the Labour Party constitution—the only official remnant of socialism left in the Labour Party. Yet the unions which these gentlemen claim to represent are in fact committed to a policy of nationalization of their particular industries.

We had every right to ask of our representatives that they fight for the policy of their unions, and oppose the removal of Clause 4.



In Germany, the Social Democratic Party recently dropped any reference to socialism and the working class. They met with very little opposition, but in Britain the Left wing, and particularly the Socialist Labour League have organized very considerable forces against this move. We had no intention of allowing the bureaucrats to win one of the biggest political fights in the history of this country. But it would be a mistake to appeal to these leaders. We appeal to the working class who follow these leaders to fight for the retention of nationalization. If the right wing can carry forward their struggle against Clause 4 it will be ten times easier for them to discriminate against left wingers.

In order to solve the problems of the working class, the problem of unemployment and security, the sending of our young workers to butcher the colonial peoples, it is necessary for the working class to control the commanding heights of economic power—that is to implement Clause 4.

As a member of the CND he had constantly tried to point out that the struggle against these terrifying weapons is not just a question of marches. We had to take control of the industries which produce these weapons, otherwise they will go on being manufactured. If you take control of these industries you will raise the question of power and that is what Clause 4 is all about.

A delegate from a Middlesex Labour Youth Section declared that his organization had pledged itself to support the campaign for the retention of Clause 4, because they considered the demand for nationalization as an integral part of the fight of the working class against capitalism. They did not see this only as a struggle for Clause 4, but as part of the struggle against all the policies of the right wing. The paper which his youth section produced was going to launch a campaign amongst all the youth sections to urge them to be active in the campaign for nationalization and to support the lobby on March 16.

ALAN COURTNEY, moving a resolution of support for the railwaymen and busmen in their claim for higher wages, contrasted the resolution before the Assembly with the resolutions carried year after year at union conferences.

Much had been said in the Labour movement about the railway settlement. What that settlement showed was the tremendous strength of the working class movement when called to action, and the energies of the rank and file are mobilized. We then saw what a miserable minority are the capitalists who own the means of production.

It is true to say that in granting the five per cent. increase to the railwaymen, the Tories made a retreat, but it must also be said that this was a conscious retreat. They knew that if they refused an increase they would have to deal with the strength of many sections of the working class who had already announced their solidarity with the railwaymen.

The resolution was seconded by a London busman who spoke about the decision of the central bus committee to impose a ban on overtime and rest-day working in support of their £1 claim. The Transport and General Workers' Union had declared the ban unofficial and were in fact acting to break the ban.

When we looked at the situation we had to ask ourselves how did the railwaymen get their increase. They got it because the London tubemen came out on strike against the attitude of the British Transport Commission, and in coming out they pushed their Executive Council into calling for a national strike.

Many busmen were sceptical about the outcome of the overtime ban, but by presenting determined leadership the delegates had convinced them of the need to observe the ban. This was not just a gesture because it meant that men had volunteered to live on £8-£9 a week until their wage claim was met.

But what comes after the ban? What is necessary is to present a political programme to the busmen. You won't get a wage increase from the London Transport Executive without putting forward a programme that cuts the ground away from under them. London Transport and British Railways should be taken over by the busmen and the railwaymen and run according to how they think the job should be done. That is something that concerns us really.



Whatever action the busmen do take, the Labour movement must see to it that they do not stand alone, they must get the maximum support from other sections. Scab buses must not be allowed to run on the streets, nor tankers supply petrol to scabs. This means that the rank and file must be prepared to take the control of the strike out of the hands of the leaders. One busman summed it up when he said: 'I wonder whether it is worth while having strike pay and letting Townsend run it, or doing without strike pay and letting us run it.'

Moving the amendment to the National Assembly programme demanding the withdrawal of British troops from the colonies, **M. BANDA** described the links between the struggle of the working class in Britain and that of colonial peoples for

independence.

An example was the nationalization of the Suez Canal. While the leaders of the British Labour movement were talking about its internationalization, the Egyptian people were nationalizing what was part of their country. British trade unionists and members of the Labour Party had demonstrated their solidarity in Whitehall in November, 1956.

Each time the colonial people forced the imperialists to retreat, they assisted the British working class in their fight against capitalism.

It was the duty of the British Labour movement to demand the withdrawal of troops from the colonies and their independence.

W. WHITBREAD, a member of the Communist Party, said he had only recently heard of the Socialist Labour League. He thought that the unity of the left which had been mentioned during the Assembly was something of the utmost importance at this time because of the emergence of fascism on the streets. He had been asked to attend a tenants' meeting in St. Pancras and to give what assistance he could against the fascist intervention which was expected.



Comrade Whitbread said that he would be very grateful to anybody who would make it clear to him what he could do to work for the unity of the left, which had been requested by the speaker, in order that we would be able to fight the fascists. We should get together, burying our political differences as far as we could in order to present the strongest possible united front.

Replying to the discussion, **BRIAN BEHAN** welcomed the contribution from the member of the Communist Party. The Socialist Labour League was always ready to take part in joint actions with the rank and file of the Communist Party, and would be willing to come along to help the comrade at the meeting in St. Pancras. If we could secure unity between the Socialist Labour League and the rank and file of the Labour and Communist Parties, then we would possess an invincible force. This was recognized by the press who commented with glee on the differences in the left.

We had differences with the leadership of the Communist Party, but we in the Socialist Labour League were Communists and we have never pretended to be anything else.

Those who had said there was nothing we could do were no doubt speaking sincerely, but we were engaged in a struggle for the Labour movement and were not prepared to hand it over to the right wing without a struggle. The struggle around Clause 4 was not about words, but was part of our struggle to build an alternative leadership to reformism. We aimed to win the mass of the membership of the Labour Party from this reformist leadership. It is very little use saying that we need socialism unless at the same time we can take the necessary steps to ensure that we are able to take power and one of these steps is to break the grip of the right wing.

A FULL REPORT OF THE LIVERPOOL ASSEMBLY OF LABOUR WILL APPEAR IN NEXT WEEK'S ISSUE.

NATIONAL ASSEMBLY OF LABOUR CAMPAIGN: AREA ASSEMBLIES

**book
these
dates
now!**

GLASGOW: March 20 ...	Central Halls, Bath Street. 10 a.m.
LEEDS: March 27	Leeds Museum. 3.0 p.m.
MANCHESTER: March 27 ...	Registrar's Office, All Saints. 2.30 p.m.
BIRMINGHAM: April 24 ...	Typographical Hall, Bath Street, Birmingham.

The End of the Credit Spree?

By TOM KEMP

THE present boom has been swept along largely through the injection into the economy of new bank credit at a rate exceeding £20 million per week in the recent period. Since the credit squeeze ended the total increase in bank loans and advances is well over £1,000 million.

On this basis a considerable new market was opened up, chiefly for consumer durables. The hire purchase companies have been permitted to take full advantage of the lifting of restrictions on instalment business. Individuals have been able to borrow more readily than ever before, whether for buying houses or to participate in the Stock Exchange boom.

How long and how far the system can go on imbibing credit at this rate without mishap is uncertain. Certainly the government has come to the conclusion that this rich mixture is going to some people's heads and is applying the brakes. Bank rate is moving upwards, while the only secret about next month's Budget is which taxes will be raised and what restrictions it will impose on spending.

Yet so far there has been no inflation and recession still lingers in some sectors of the economy. But the timing of the new policy emphasis is not just Tory bungling or wickedness. The system cannot take it.

Growing production over the past year was facilitated by the existence of excess capacity built up in the earlier phases of the prosperity. Production and productivity increased with little or no new investment in many firms and with a decline in unit cost. Import prices were favourable. As for wages, the recession provided a pretext for breaking the rhythm of annual wage claims on the part of right-wing officialdom in a number of key unions. Hence profits have soared, especially in the favoured consumer goods industries, such as household appliances and cars, and for the distributive chains and credit companies handling the increased volume of sales. A striking example is Hoovers Ltd. Trading profits doubled in 1959. Dividend on 5s. shares went up from 60 per cent. to 90 per cent. and an extra share will be issued for each 'A' ordinary share held; the 5s. share now stands at 110s. 6d.

By the last quarter of 1959, however, it was becoming evident that in these prosperous fields excess capacity had been

absorbed; an upward revision of investment plans was revealed by the Board of Trade's figures published in January. Meanwhile, in some areas, labour scarcities arose. The rank-and-file in industry, too, has forced unions to put in wage claims and to stand more firmly by them than over the past two years.

Inflation, if not yet actual, is latent in the economy and may become rampant if the credit spree continues without check.

Meanwhile, there is no possibility of reducing Government expenditure. Peaceful co-existence seems to mean 10 per cent. increase in the army estimates, new and more costly missiles and warning posts. The rail settlement, the recommendations of the Committee on doctors' pay, the higher National Assistance rates all add their quota to the expenditure side of the Budget and hence to the inflationary pressures now building up.

Well, it may be asked, what is wrong with a little inflation? For some time inflation has been rank heresy. Yet it seems that the only terms on which a capitalist economy today can be prosperous is through credit expansion and high government expenditures which eventually bring inflation in their train. The real problem is that while inflation brings undesirable results for some parts of the internal economy it leads to even more intractable external problems—the weakening of sterling, runs on the pound, fall in gold and dollar reserves . . . not at all to the liking of the City of London.

There is no doubt that 'defence of sterling' comes first—as was shown by the crash increase of Bank Rate to 7 per cent. in the autumn of 1957. Something similar could be in store again, with the evident result of ending expansion at home.

All this adds up to a persistent dilemma of economic policy which illustrates the fact that a decade of prosperity is very far from having solved the problems of British capitalism.

Economists all in favour of 'expansion' reflect this dilemma in acute form and it can be demonstrated daily and weekly from the financial press. Some are even capable, in the same article, of bewailing 'the danger that the tardy revival in investment in plant and equipment may be checked off before it has really got under way' and yet wonder whether enough has been done to 'restrain' an expansion which may turn into inflation (see, for example, London and Cambridge Economic Survey, March, 1960)!

RENTS

LABOUR COUNCIL PUTS UP RENTS IN SALFORD

Rents of council houses and flats in Salford will be going up this month by anything from a few pence to 7s. a week as a result of a decision by the Labour majority on the Council—supported incidentally by the Tory group.

Tenants voiced their opposition at two well-attended and stormy meetings in St. Paul's and Trinity Wards, called to hear the Labour councillors explain their action.

At the Trinity meeting Cllr. Burchill attacked the Socialist Labour League leaflet distributed to tenants which urged that every Labour-controlled local authority should refuse to put up rents. The leaflet says:

'Labour-controlled local authority should refuse to put up rents. Labour controls big cities like London, Leeds, Manchester and Glasgow. If these and other local authorities declared that they would no longer administer Tory policies that meant worsened conditions for the working class, and if the Labour and trade union movement backed up these local authorities by a national campaign demanding interest-free loans for house building and the repeal of the De-Rating Act, then a storm of protest would be raised which would defeat the Tories' plans.'

To this Cllr. Burchill replied, 'we have to administer the law of the land.'

But tenants from the body of the hall at both meetings made it clear that these excuses did not satisfy them. One

of them expressed the feelings of a large section of the tenants, who are Labour supporters and voters. He challenged the Labour councillors:

'We agree with you that the Tories are to blame. But what lead has Labour given? Why didn't you put out leaflets before, and explain the position and call on the tenants to support the Salford Council in a fight against these high interest rates you complain of? Labour should give the people a lead.'

FIGHT THE GOOD FIGHT

Frank Nodes is the Labour agent for the Putney Labour Party. He has recently achieved fame throughout London. A Labour councillor resigned from the Wandsworth Borough Council on which sit representatives from the Fairfield Ward of the Putney constituency. Fairfield Ward is a safe Labour seat. Yet in spite of the initiative being with him in the selection of the by-election timetable, comrade Nodes failed to submit his nomination by the due date. So a Tory has been returned in place of a Labour councillor through the inefficiency of the Labour Party agent.

But there is no limit to the ability of some people to make themselves look foolish. On the very day of the by-election, the Wandsworth Borough News carried a message to the residents of Putney. Comrade Nodes, asleep when a nomination for a Council seat was required is reported to be 'keeping alert' and 'ready'. And what do you think he's keeping alert and ready for? Let us quote the report.

'Mr. Nodes emphasised that he was keeping alert for any evidence of Trotskyism' and he would 'be on top of it if it ever rears its ugly head.'

'He added: "We in the Putney Labour Party are aware of the situation and ready to deal with any trouble should it arise."'

Constant Reader | One Way Only

I DIDN'T hear Julian Symons's wireless programme on the general strike of 1926, but I understand from a friend who did that it followed the lines of his excellent book on the subject ('The General Strike', Cresset Press, 1957), which every reader of The Newsletter ought to ensure is in his local library and known to Young Socialists in his neighbourhood.

One of the most significant features of the 1926 struggle, it seems to me, was the way the middle classes, tremendously impressed by the might and majesty which the working-class movement then displayed, showed as those nine days went by definite signs of breaking away from allegiance to the capitalists. The mood of these sections was reflected in the resolution passed by the Tory city council of Newcastle-on-Tyne calling on the government to make peace with the workers, and in the famous appeal by the Archbishop of Canterbury for a negotiated settlement—suppressed by the BBC under government pressure! Less spectacularly but more directly it was voiced by Canon Donaldson of Westminster: 'I earnestly pray that the workers will stand firm. If they stand firm, they will win; but if they begin to doubt and quaver and to black-leg—all will be lost, and lost for a generation.'

That experience provided an object lesson in the way to win the support of the middle class. But the effect of the betrayal of the strike and of the epoch of disintegration and demoralization of the working-class movement that followed was proportionately severe.

The key to the thirties

While the workers were still 'winded' from the betrayal of 1926, the great slump arrived, bringing unemployment on an unprecedented scale, and so rendering exceptionally difficult a revival of militancy in industry. Then on top of this came the sell-out by the front-rank leaders of Labour in 1931, causing further discredit and depression.

All of which formed part of the background to the widespread acceptance by middle-class people of left-wing inclinations of that idea of a 'People's Front' in one form or another which exerted so malign an influence in the crucial period between 1936 and 1939. The other major element in this background was the terrifyingly rapid advance of fascism, with the unchecked rise of aggressive Nazi Germany and militarist-expansionist Japan. To middle-class people desperately seeking an answer and a defence, the so-slowly-reviving working-class movement of the middle 1930s presented no immediately impressive picture, and it was all too easy for them to turn instead towards fallacious schemes involving Liberals, 'patriotic' Tories and other sections of the ruling class.

The specific and particularly harmful contribution made by the leaders of the Communist Party in that situation was to divert the efforts of their followers and sympathizers more and more away from the indispensable, irreplaceable Marxist task of building up and extending militant rank-and-file movements, arousing class-consciousness and leading the workers into direct action against the capitalists, the fascists and warmakers, domestic and foreign. Instead of doing everything to strengthen confidence in the working class as the only force capable of safeguarding democratic rights and stopping imperialist war, they set the tone of the essentially defeatist propaganda for the People's Front.

Having decided, because of the relative weakness of the working-class movement at a given moment, to base their calculations elsewhere, on various capitalist states and sections of national capitalist classes, the Communist Parties of the world, directed from Moscow, were inevitably led to oppose such expressions of revived workers' militancy as did occur, since these could not but upset the new 'allies'. From being unsuccessful would-be revolutionaries they became downright counter-revolutionaries: as was to be seen written in blood in the streets of Barcelona in May, 1937. The shrill international

campaign against 'Trotskyism' was intended to stun everyone within earshot into acquiescence in this treachery.

No excuse this time

The People's Front policy bought defeat wherever it was tried. That is something which needs pointing out again and again, now that the 'New Left' are trying to foist an essentially similar conception upon the nuclear disarmament movement, the movement against colonial oppression and so on. What also has to be said is that the excuse that existed in the 1930s for looking elsewhere than to the working class for salvation does not obtain today, when the workers are undefeated, in a very strong position and full of fighting spirit.

As things are now, to carry forward 'People's Front' notions into our present situation is to reveal a total lack of historical sense. This point is effectively made by Alasdair MacIntyre in replying to Edward Thompson, ex-Stalinist 'New Left' spokesman, in the Listener of February 25: 'Mr. Thompson boasts that his present position is not a reversion to a mirror-opposite of the old dogmas, which I imagine he takes mine to be. Certainly it is true that his position is in no sense a reversion. It is, in the aspects revealed in his letter, a straightforward continuation of the old, lacking only the context of the '30s which made that position slightly more excusable than it is now.'

BRIAN PEARCE.

LETTER

NAILING A LIE

An article by Denis Levin, in the February 20 issue of the Workers' News Bulletin, a duplicated sheet published by the Workers' League, declared that the 'Trotskyists created a smell around their name on the Merseyside when they achieved another defeat in getting Danny Brandon, a militant docks leader victimized out of the docks, despite the fact that 2,000 Birkenhead dockers, and many more in Liverpool and Manchester, had shown their ability to struggle in their class interests.'

I have allowed other mis-statements from this source to pass without comment, but their latest story of how I came to be dismissed is just too much. They imply now that the Trotskyists actually engineered my victimization. What rubbish!

I was dismissed by the National Dock Labour Board, with the collusion of the Transport and General Workers' Union.

Previously Levin and his associates have attacked the Trotskyists for switching the fight against my dismissal from strike action into legal channels. Removed from working-class circles these people believe that you have only to raise a magic wand and workers will take direct action.

My dismissal took place only two months after a strike of Merseyside dockers over the victimization of another brother had been defeated. The port workers' committee, knowing the men and their mood, took the decision that strike action would not gain support, particularly as it was only two weeks to Christmas. This committee was composed of workers with a long experience in that industry. They may not have had the Walter Mitty imagination of Mr. Levin, but they were veterans in dockside struggle and very close to the men they represented.

Militant dockers in Birkenhead at that time were given great assistance from the 'Socialist Outlook'. It was widely read on these docks because it constantly championed the dockers' struggle. Denis Levin may attack it, but dockers applauded it. The Trotskyists can rest assured that their reputation will remain untarnished despite Levin's fevered attacks. Could that 'nasty smell' that Levin talks about emanate from sour grapes?

DAN BRANDON, Birkenhead.

Guillebaud Report Does Not Provide for Lower Paid Rail Workers

By BRIAN ARUNDEL

THE findings of the long-awaited Guillebaud inquiry into railway workers' wages are at last out, but in spite of the 'sugar coating' of high percentage increases for some, the problem of low wages still remains unresolved for the majority of the 300,000-odd railway workers covered by the report.

In the report increases of 8 per cent., 13 per cent. and 18 per cent. are suggested, but a glance at the relative numbers who will receive these increases will rid those railway workers who have been taken in by the report, of any illusions that it solves the pay problem on the railways.

The 18 per cent. increase, for example, will only go to 7,000, the 13 per cent. increase will affect 123,000, and 170,000, of whom nearly half earn less than £8 a week, will receive an 8 per cent. increase.

Already TSSA has welcomed the report, ASLEF can be expected to follow suit. For the vast majority of their members the report is satisfactory, in that the differentials have been re-established.

But what of the NUR? Most of those covered by the 8 per cent. are in this Union and justification exists for the feeling that they have had a raw deal. The NUR leaders must make this quite plain when they comment on the report.

At the moment suspicion exists that the Tories will interfere in the implementation of the report. A phased introduction of the new rates of pay could be forced on the BTC if the Government withheld the money to meet the increases.

Militant action gets results

The lesson of the recent 5 per cent. increase demonstrates that these tactics can be cut through once militant action is taken. Before the 5 per cent. was conceded talks on a wage increase had been going on since September, 1957. All that had come from these talks was the 3 per cent. in June, 1958,

plus the setting up of the Guillebaud enquiry. Even the demand for an immediate pay increase which was put in last year was pushed into the negotiating machinery in the hope that it would 'get lost' until the Guillebaud report came through.

At present railway workers have only got 5 per cent. in their pockets. The demand should be raised now for the full and immediate implementation of the Guillebaud report after justice has been given to the lower paid railway workers, and the Tories given to understand that strike action will follow any delay.

The attitude of the Tories to the report will obviously be linked with the future of the railways.

As soon as the 5 per cent. increase was forced out of the BTC, sections of the Tory press were screaming for 'drastic changes on the railways'. Supporters of the Tory Government are today talking of the 'dispersal of profitable assets'.

These are not the voices in the wilderness; such demands are being echoed throughout the employing class. Every thinking railway worker can understand from this that a fight for decent wages goes deeper than first appearances show.

The cost of meeting the Guillebaud report is estimated at over £40 million. This money will obviously have to be found from somewhere. The Tories will find it by taking it out of the backs of railway workers later by 'improved organisation and further economies' which mean a drive for more redundancy.

When these methods are discussed by the Tories, railway workers should bear in mind the £72 million which was paid out in 1958 to ex-owners and City of London loan sharks. The assets of these people, for which they are being compensated, are declared redundant every day with the modernisation programme. Railway workers should fight to make compensation and interest parasites redundant before a single railway worker is made redundant through the plans of Macmillan and Co.

BUSMEN FACE A SERIOUS STRUGGLE

By our Industrial Correspondent

A special delegate conference of London busmen's representatives with powers to call for strike action, has been called for next Monday. Mr. A. J. Townsend, national passenger group secretary of the Transport and General Workers' Union, gave this information in an interview with a Newsletter reporter. The strike call would be subject to the sanction of the union's executive committee. Mr. Townsend declared that any strike of London busmen would be extended throughout the country because both the company services and the municipal authorities have so far refused an increase to their transport workers. However, Mr. Townsend did not think that any other sections of the giant transport union, such as power and docks, would be involved in a strike.

The obvious strategy of the Tories is to isolate and crush the busmen as a warning to the rest of the working class. Busmen are bitter at being the odd ones out. The London Transport Executive says it has no money to pay for a wage increase, but trade unionists claim that the £2 million needed could be found out of compensation paid to the British Transport Commission each year.

The TGWU demanded trade union control of London's transport as long ago as 1933. It is time that the union campaigned for its declared aim of workers' control.

Strike action will be necessary to win the £1 increase. The busmen cannot win alone—that was clearly shown in 1958—and a further defeat could have serious consequences for the whole working class. An approach from the Central Bus Committee to the railwaymen for joint action to win the £1 and secure the implementation of the Guillebaud report should be made at once.

TUC must support busmen's claim

A demand should be made for the Trades Union Congress to declare now where it stands on the busmen's claim. A call for a national levy in the trade union movement would break down the isolation suffered in 1958.

Most important is for the power of the whole of the transport union to be used to back the busmen. Dockers, power workers and oil men are in a position to decide the issue of the strike in favour of the bus workers.

Such a campaign could turn back the employers' offensive and would raise the question of the removal of the Tory government.

WHAT IS MARXIST THEORY FOR ?

By Alasdair MacIntyre

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