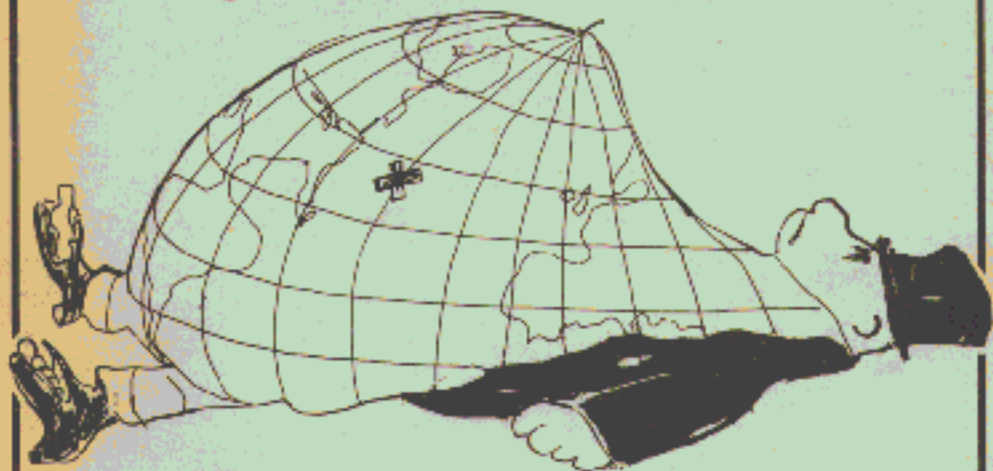


Monthly
Analysis and
Discussion

socialist
REVIEW

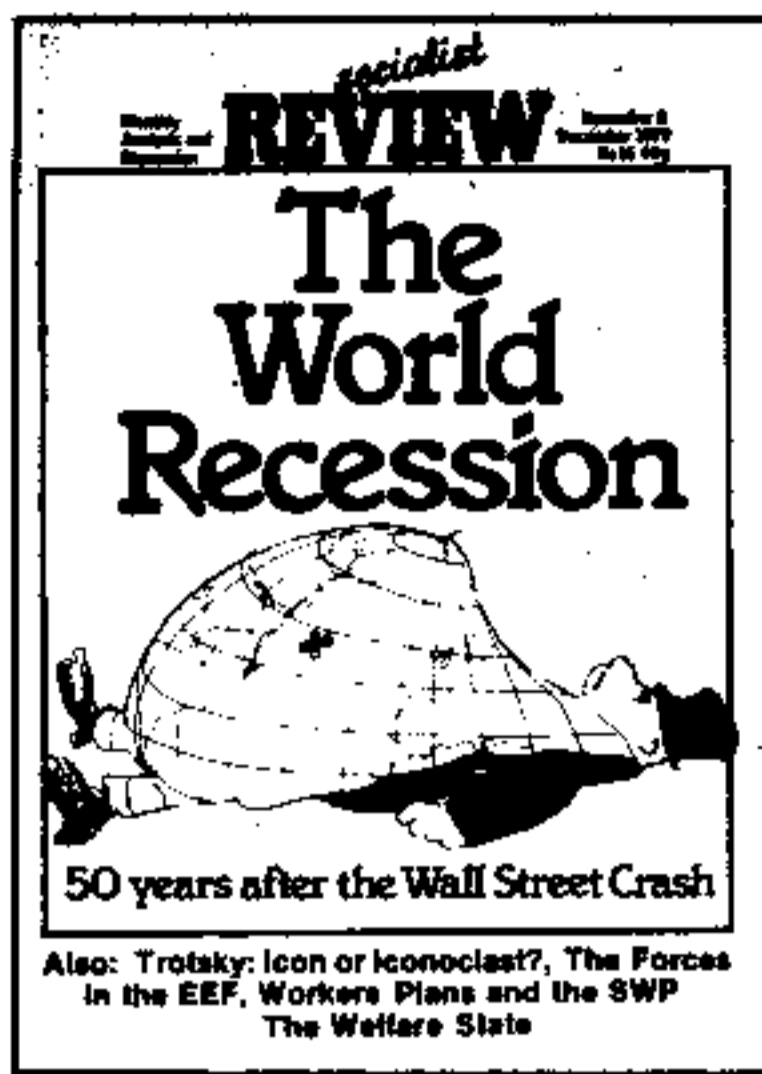
November &
December 1979
No 16 40p

The World Recession



50 years after the Wall Street Crash

**Also: Trotsky: Icon or Iconoclast?, The Forces
in the EEF, Workers Plans and the SWP
The Welfare State**



This month we celebrate two anniversaries. The first is the centenary of Leon Trotsky's birth. A number of books on Trotsky have been published to coincide with the centenary — most notably Duncan Hallas on *Trotsky's Marxism* and are discussed by Pete Goodwin.

The second anniversary is that of the Wall Street crash of 1929, which ushered in the great slump of the 1930s. Alex Callinicos looks at the causes and consequences of the slump, and draws parallels with the world crisis today.

The effects of that crisis are being felt throughout the British working class. Articles by David Beecham, Phil Marfleet, Jack Robertson and Mark Paget examine the struggle in different sectors, following up our analysis in earlier issues.

As part of the continuing debate, initiated by our interview with Stuart Holland, on working-class strategy in the light of the crisis we include an article by Hilary Wainwright which argues that the revolutionary left should take alternative plans like that of Lucas Aerospace far more seriously.

In our next issue we will include a contribution to the debate on women's liberation and socialism by Celia Pugh of the International Marxist Group.

Readers worried about the decline of our cultural coverage will be relieved to see Colin Sparks' article on *The Alien*. In the new year we hope to revive *Writers Reviewed* as a regular feature.

New's Analysis 2-12

The Engineers Strike What Next?	13
The Engineering Employers	15
Fighting the Cuts	17
The Great Crash of 29	20
Trotsky: Icon or Iconoclast	25
Workers Plans & the SWP	30
The Welfare State	33
A Communist History?	36
Reviews	39

Socialist Review is a monthly magazine of analysis and discussion sponsored by the Socialist Workers Party. Contributions and correspondence should be sent to the editor by the beginning of the month preceding publication.

Please make all cheques and postal orders payable to SWD Socialist Review is sent free to prisoners on request.
ISSN 0141-2442

Editor Alex Callinicos
Business Manager Tony Pearson
Production J.C., P.C.
Printed by East End (Offset) Ltd,
PO Box 82, London, E2

Correspondence and subscriptions to:
PO Box 82, E2.

News & analysis

Crisis in the Car Industry

Events in the car industry during the last few weeks all pointed the same way. Peugeot-Talbot rode out the strikes in Coventry to get its way on the pay structure and control of productivity: now the boot has gone into the Linwood night shift. GM-Vauxhall isolated Ellesmere Port into defeat and has now brought out a 21-page document which flaunts the fact that the company has attacked and will continue its attack on existing work practices.

BL has of course got its expected answer to the loaded question in the secret ballot, and is now quite open about its intention — to take on the stewards on the mutuality issue, in other words break shop-floor restrictions on speeds, manning etc.

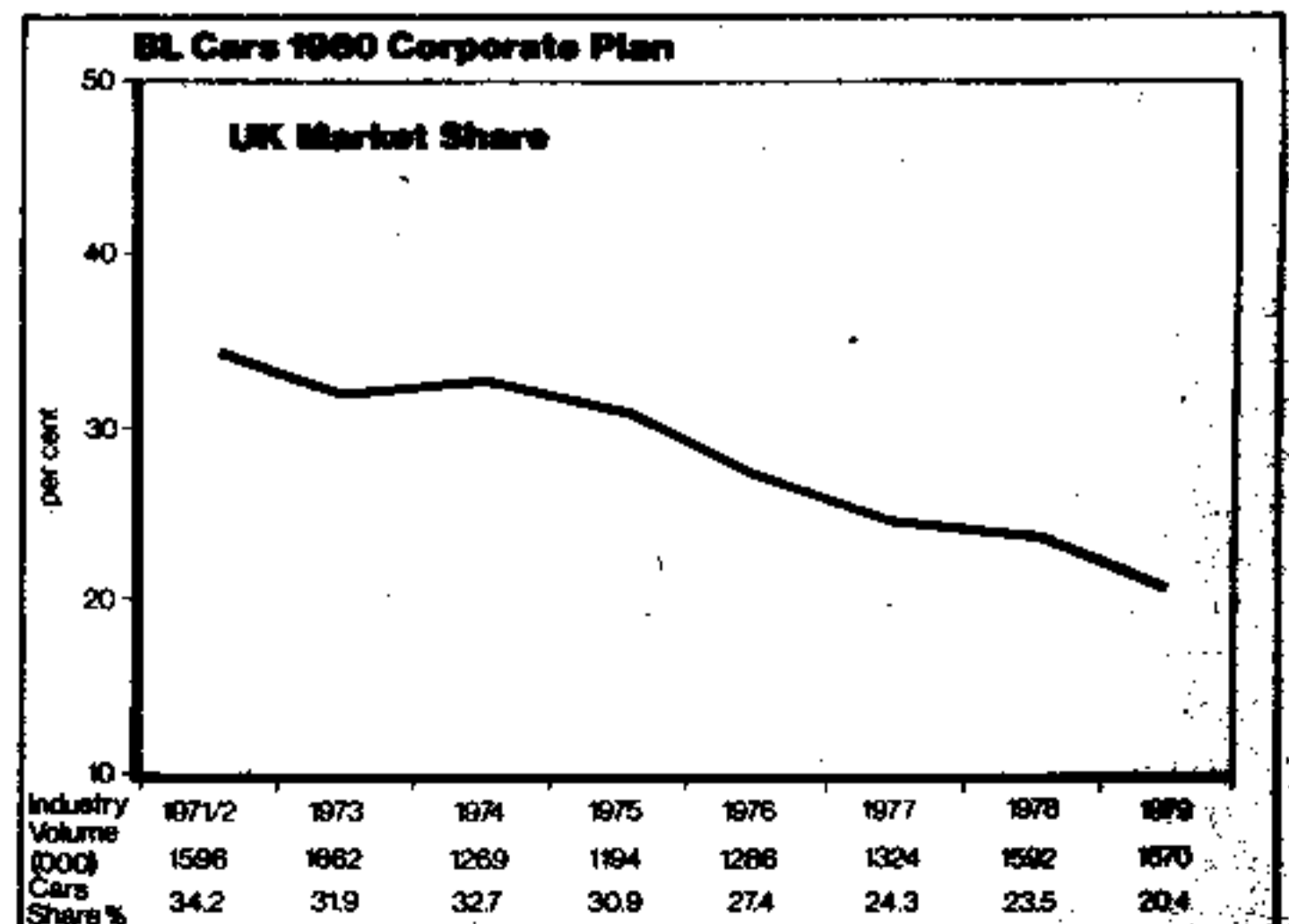
Finally, at Fords the unions have put forward a claim which actually proposes an American-style productivity deal on 'working time'. If the company allows more individual days off, above all Mondays and Fridays, the unions will agree to methods of reducing absenteeism, increasing flexibility and easing the way to

increased production.

These developments have been on the way for a long time. None of them of course is inevitable, and the resistance to them has in fact been very strong, ranging from the model works in which the Vauxhall pickets conducted the strike, through the sizable minority — 30 per cent — at Ryton and Stoke who continued to defy Talbot and the full-time officials, even to the 15,000 in BL who voted against the barrage of propaganda to 'save Leyland'.

It would be easy to get defeatist about these battles — long-drawn out, bitter, defeated. Or to assume the battle in BL is now completely over. Or to assume that the totally bureaucratic Ford claim means workers are therefore totally passive. They aren't: as the disputes in support of outside catering workers and car transporter drivers at Dagenham show.

What is the case is that the car companies are on the offensive with one common objective. The removal of shop-floor obstruction to the companies' demands for greater output per





"Let me take you for a ride".

head. The targets these companies face are enormous, particularly at BL.

BL, as the accompanying illustration shows, is effectively the smallest independent 'popular' car producer in the world market. There is not the slightest chance BL can hold its own in the face of the so-called 'world cars', to be launched by Ford and GM.

The new body shell for the GM car has cost something close to £1,500 million to develop and put into production. By autumn next year both the American giants will have their models in production, which should squeeze BL completely out of this market internationally and bring it under enormous pressure in Britain. BL's total 'corporate expenditure plan' for 1980-85 is around £1,800 million, which is something of a bad joke in the context of the sums now needed

just to survive.

Meanwhile, Talbot knows that in the aftermath of the Coventry stoppages, getting any reasonable level of production — let alone an improvement — is going to be very hard. In fact the productivity targets at Ryton and Stoke under the new deal are going to be much more easily achievable than at Linwood if the company gets its way.

Though Peugeot is making all sorts of nice noises about keeping all the British production units in operation, it is now centralising its next generation of car engine production at Sochaux and gearbox production in the Northern French plants. That looks like a clear threat to shut Stoke by about 1981, unless really horrible working conditions are imposed.

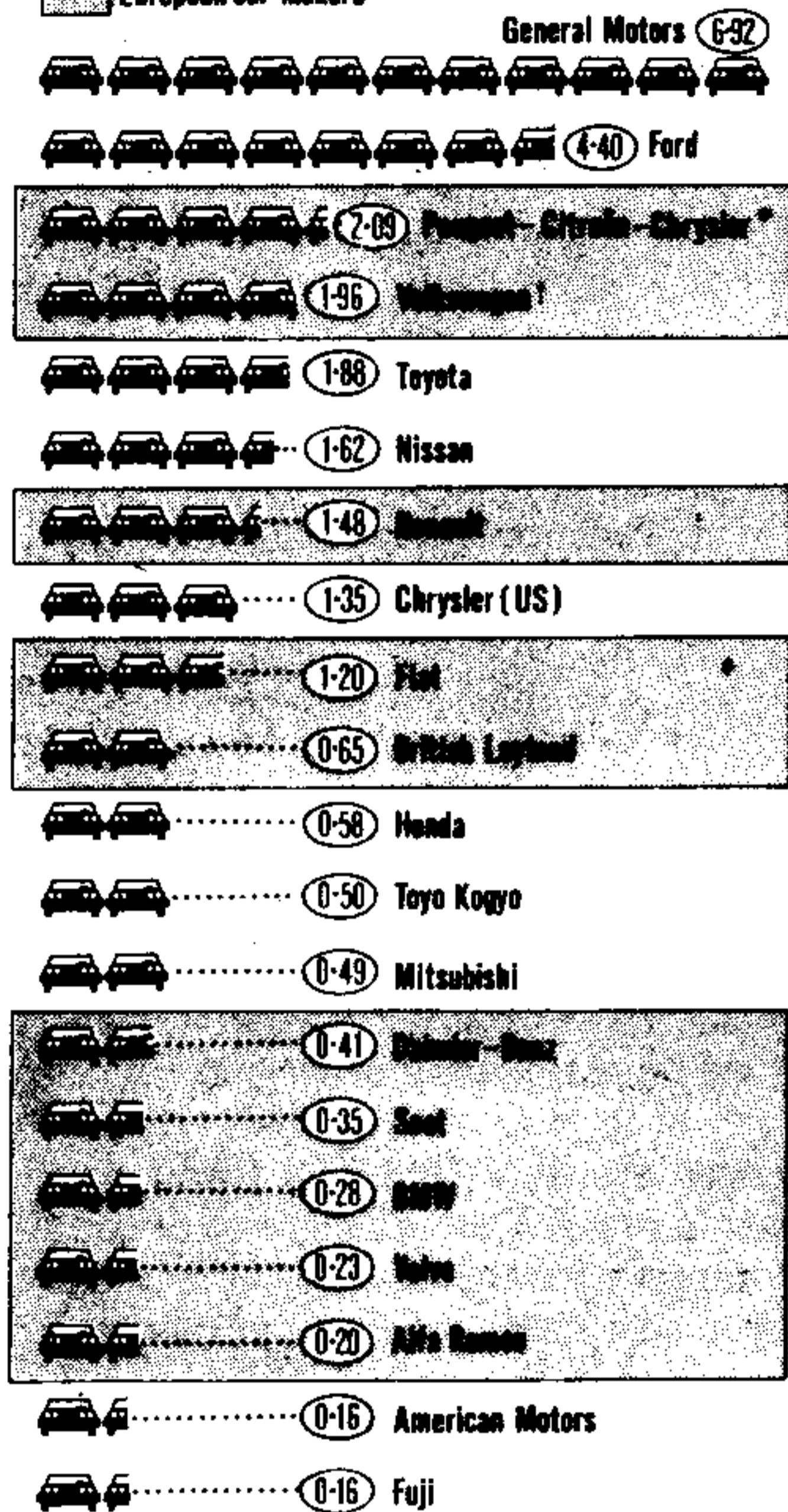
As Chris Harman commented in *Socialist Review*

Car makers of the world unite

Production in 1977

0-0 Figures in million units

European car makers



Source: EIU

* Europe † including VW de Brazil

No.5 (September 1978) 'when it comes to the manufacture of engines and components, the unionised British and Spanish workforces will be told that the precondition for keeping these will be 'voluntary' acceptance of conditions and wages as bad as those enforced by crude repression in the French factories.'

What about Vauxhall? For years now, right wing union officials in Luton have been preaching the 'inevitable closure' of Ellesmere Port and by its inactions in this last strike the Luton workforce has almost certainly ensured the fate of the Liverpool plant. The question is when, because GM still do not

have a real alternative to Ellesmere Port for certain vital links in their new production plans.

So the first stage in the softening-up process is now taking place: a cut down on breaks, removal of 'unofficial rest areas', open use of first-line supervision to do certain jobs on the track in the case of disputes and an attempt to wear down the stewards' organisation.

This is exactly the same offensive as that taking place in BL. And it does indicate that whatever the weakening of independent stewards' power the bargaining opportunity

over the past five years, the car bosses in Britain have still not achieved what they set out to do at the beginning of the 1970's — control production.

Fords is naturally somewhat different. They have fought for and won a great deal of control over the production process over the past 15 years, at the price of huge labour turnover and the creation of pockets of workers' strength in key sections of key plants.

The top table at Fords having fought for the right to sit on negotiating committees (for which see Martin Jones's major article in April — *Socialist Review* No.11) seems now completely incapable of giving an independent lead, even if it wanted to. Not that there was any agitation to speak of round this year's claim anyway; but the content of claim — a demand for a disguised prod. deal — and the way it has been presented — not even the ritual

distribution of a printed pamphlet — show how manipulatory the central negotiating process has become.

The last thing any of the developments of recent weeks should engender is pessimism about workers' will to fight back. The car industry employers' offensive is after all what capitalism is all about; the flailings of the smaller fry as they try to avoid the consequences of their size and the crushing superiority of the true giants.

Even under the most extreme pressure the militant minority at Chrysler, Vauxhall, BL and Ford is still there, and the battle over the production process itself is still being fought. It is up to us to understand it, support it and help organise it so the significant minorities in each shop and each plant can be welded together.

A World Crisis

The sharpness of the conflict in the British car industry is just an offshoot of the serious battles going on in the world car market. The very concept of a 'world car' produced by GM or Ford show how the international barriers have been broken down but in fact the Japanese manufacturers have been pursuing this course for even longer.

One of the most extraordinary recent deals involved the direct intervention of union bureaucracies, with the head of the Nissan trade union in Japan negotiating directly with Douglas Frazer of the United AutoWorkers. In exchange for a Nissan agreement to limit car exports to the United States, Frazer gave his assurance that the UAW would not oppose the company setting up its next manufacturing operation in the United States.

This demonstrates that although Ford and GM may be rubbing their hands at the imminent demise of Chrysler US as a serious competitor, the big two are not going to have it all their own way. Volkswagen/Audi for example was shipping engines and gear-boxes to the US for the Chrysler Horizon. Its efforts will now almost certainly be devoted to supplementing its existing US production plant at Westmoreland which is already sup-

posed to produce something like 200,000 cars a year. Renault may be on the point of collaborating with American Motors. And the Japanese will make serious inroads into American home production.

As the shake out of the smaller firms takes place, these big manufacturers are becoming more integrated, seeing the way open for the domination of the world car market in the early 1980s by some six companies Ford, GM, Peugeot, Volkswagen, Nissan, Toyota—with the other international firms either confined to products with very high added value per unit—like a Jaguar—or to the component market for the giants, or to pure and simple final assembly. The days of any country's independence in the world's biggest manufacturing business are almost over.

The money involved here is simply colossal: about £40,000 million for the American automobile industry to 1985. And although the 'new' car manufacturing countries—Brazil, Korea etc—are putting competitive pressure on the current generation of international firms, the market carve-up which emerges will leave them no alternative. They will become dependent or collapse.

The ITV settlement



Alan Sapper Gen Sec ACTT

'The parallels between the actions of the ITV contractors on the one hand and those of Times Newspapers on the other are becoming ever more striking. In both cases employers confident of their financial security precipitated a showdown with recalcitrant employees. In both cases the employers fell flat on their faces'.

The unlikely source of the quote is *Campaign*, the house journal of the advertising industry, where Saatchi talks unto Saatchi. The cover headline for the same issue announced the departure of the employers' hardliners, Paul Fox of Yorkshire TV, and Brian Cowgill of Thames, from their ITCA negotiating team.

It signalled the collapse of the ITV companies' confrontation strategy, and the beginning of their climbdown which led to a confident workforce returning to work victorious on 24 October, almost 11 weeks after the companies had effectively locked them out in early August.

It was the determined resistance of the membership of all three key ITV unions, ACTT, NATTKE and the EETPU, which confounded the ITCA strategy, and a deal which was worth 10% more this

year than the companies' third 'final' offer which precipitated that the companies' third 'final' offer which precipitated the dispute. When the dispute began, at least one of the chief ITCA negotiators took himself off on three weeks' holiday.

Four weeks into the strike, the ITCA unveiled tougher clauses aimed at rapid introduction of new technology, and an end to lucrative local deals.

After variants on the package had been rejected by the union negotiating team, the national shop stewards' bodies, and finally in mid-September 85 per cent of the membership, the ITCA negotiators finally got the message. The hardliners were shown the door, and the final 'final' offer was made.

This offer which was overwhelmingly accepted by the union memberships amounts to 17 per cent backdated to July 1st 1979, another 15 per cent next July. The clause on ENG was proposed by the ACTT, and agrees on a tribunal to oversee introduction if there is no agreement by next April. The union is well represented on the tribunal. The prohibition on local deals vanishes. It is in many respects a major victory.

However there are drawbacks. The money was supposed not merely to keep up with inflation but to catch up with money lost under Labour's four years of pay policy. This it fails to do significantly.

The ENG clause may turn out to provide adequate safeguards, but like other parts of the agreement, this will depend upon the extent to which the union side is aware of all the pitfalls, and prepared to fight them. Throughout the dispute it was obvious to all except Alan Sapper that the fight was over far more than pay. It was about the control of the future of the industry.

The companies may have lost



Lady Prowden of the IBA

this round but they will be back: they cannot afford not to be. This is confirmed by some minor clauses they inserted in the offer which attempt to recapture significant areas of shopfloor control from the union. These clauses relate to 'customary' (as opposed to 'reasonable') overtime working, and the right to hire freelancers of facility companies whenever the companies are shorthanded.

Whether or not the companies will succeed in making use of these clauses depends upon the strength and confidence of the union rank and file on return to work. At the time the mood was buoyant, members were in no mood to be pushed around. Where, as in some cases, the new rates were calculated on a basic minimum significantly lower than overall earnings, union members went back to work determined to make up the difference with local deals. The future worth of the deal depends upon that mood continuing.

However after the deal was announced an alarming development came to light which casts a shadow over the whole future of industrial relations in ITV. The IBA, traditionally neutral between employer and union sides in any dispute, had been backing the employers, it emerged when the IBA's Lady Plowden told a meeting of ITV managing directors that the IBA supported their firm stand against the unions.

More important, however, than verbal support, it appears that the IBA is considering dropping a key clause in new franchise contracts due to be issued in 1981. The relevant clause protects the jobs of all union staff employed by outgoing contractors. The removal of that one clause could have devastating effects in the industry, and do more to undermine union power than the employers could have hoped to achieve with an eleven week strike.

The next few years will see the introduction of a wide variety of new technological developments in TV which will make it at once even more profitable, and less open to traditional forms of union pressure. This strike has only been the first bout in a struggle for control which may well become the dominant feature of industrial relations in TV in the 1980's.

Mark Paget (ACTT)

Nuclear Power:

The Tories 'Nuclear' Offensive

Since the Tory take-over in May it has become clear that they intend to expand and intensify Britain's nuclear power programme. In the next year or so we can expect decisions in favour of both the Fast Breeder Reactor and the Harrisburg style Pressurised Water Reactor as a means of filling our 'energy gap' for the rest of the century. Maggie has made fiery speeches on the subject and exposed herself to the world's press dressed in all the gear at Dounreay — Britain's experimental FBR.

Most socialists now accept that nuclear power is a bad thing on the basis simply of the nightmarish accident potential. We have seen *The China Syndrome*, and heard about its action replay at Harrisburg. We don't trust the industry's PR men a millimetre. We might even turn out on the odd demo in our political spare time.

Our argument goes rather deeper than this. We believe that the nuclear strategy adopted by most of the world's major ruling classes is more than just unpleasant and dangerously run. That even in the absence of nightmare accidents, cover ups and 'routine'

radiation leakages, the strategy represents an attack, a very clever and subtle one, on the organised working class.

In another, related, area, socialists and trade unionists have already drawn the battle lines. We are in active opposition to the new technology: the microchip job crunchers which destroy organisation in offices, in the print and in a wide range of manufacturing industry.

The nuclear industry does exactly the same in the crucial energy-producing sector of the economy. But this aspect of nuclear power has not as yet penetrated the thinking of revolutionary socialists, never mind the trade union movement as a whole. The reason is simple. We believe in the 'energy gap'. It has a simple and obvious appeal. When we look at the end product that is required, or appears to be required, in allegedly ever increasing quantities, there seems to be no alternative to nuclear power.

The ruling class, both in this country and with a far greater degree of success in West Germany, have even managed to turn the argument on its head and convince the public and trade unions that nuclear power

creates jobs.

It runs like this:
(1) Economic growth is the only thing that will enable a return to full employment.
(2) Economic growth requires ever increasing supplies of electricity.

As revolutionaries it is hardly our job to comment on the validity of (1), but (2) is, as the following article shows, manifest nonsense.

The truth of the matter is rather different.

The energy generating sector of the economy is already suffering from grotesque over-capacity (ie there are far too many power stations, and an even greater excess of power station manufacturing capacity). Coal mining has a great future, but the ruling class is increasingly unable to invest in that future on terms acceptable to the NUM, which along with the Arab oil sheikhs, forms the chief ruling-class bogeyman in this saga.

So they are switching to a source of power which can be run by a much smaller and more easily controlled workforce. Apart from the very short term, in which a few construction jobs are temporarily created, the net



The workforce in the Nuclear Industry is inevitably small, highly skilled and politically tame.

effect of nuclear power is to *destroy* existing jobs in the energy sector.

Two cases show this very clearly. In the Irish Republic the plan is to build the country's first reactor at Carnsore in the southwest. The effect of bringing this one new high output station on stream will be to put out of work many thousands who are employed in the small peat fire stations in the west of the country. These will be rendered 'inefficient' by the bizarre accounting procedures which the nuclear industry uses to demonstrate its own superiority over conventional energy sources.

And there is no reason to suppose that Carnsore will remain a site for one reactor only — from the industry's point of view it is a potential site for a nuclear 'park'. And this in a small country which has a demonstrable overcapacity in electricity supply already.

The Torness reactor, south of Edinburgh, also threatens jobs in the local coal fired stations Kincardine Cockenzie and the new Longannet. These are all currently supplied with coal from Fife.

The workforce in the nuclear industry is inevitably small, once the station has been built. Much of the labour is highly skilled and not drawn from the local population.

But most remarkable, perhaps, are the ways in which the workforce is kept tame. Most workers are positively vetted, that is to say, enquiries are made about their political and personal background and potential before they are employed. Employers have the pick of the field in times of high unemployment.

Strikes are not actually illegal, although no strike clauses are common in agreements. But when strikes do occur they are determinedly smashed. To quote SERA (*) 'Where it can be shown that a breach of (employment) contract may endanger the lives of others, which could be seen to be the case if plants were left unmanned then the 1875 Conspiracy & Protection of Property Act can be invoked...the use of this Act renders 'strike leaders' liable to criminal proceedings. Public opinion could be mobilised beyond this Act quite easily in this industry with its safety hazards.'

In addition a whole range of rights granted to workers under the 'progressive' legislation of



the '70s in the Employment Protection Act, Health and Safety At Work Act and Trade Union and Labour Relations Act, such as unfair dismissal, the right to information, just do not apply to the nuclear industry. The most well known strike in the industry at Windscale in 1977 was broken by the *threat* of troops.

Another nasty management technique has come to light the 'burning out' of militants. Anyone showing signs of bolshevism can be transferred

to a high radiation area and given their maximum 'safe' doses of radiation in a matter of days. After that s/he cannot continue to work in any radiation area.

The point is that technically the nuclear industry is incompatible with effective trade union organisation. The process is such that workers *cannot* be allowed to walk off the job. Not only the bosses' equipment is at risk, but the lives of many.

What we see in the nuclear

industry is a key sector of the economy under the unconditional control of the bosses. An industry whose product is quite devoid of use value and the wholesale destruction of jobs in mining and power generating. It is no accident that the Tory Party regards the development of nuclear power as a crucial plank in its policy. *Sybil Cock*

★SERA 'Meet Your New Industrial Relations Manager' 10p from 9 Poland Street, W1

Whose Energy Gap

One of the strongest arguments in favour of nuclear power is that some time next century demand will outstrip supply unless nuclear power is used to fill the 'gap'. Like Malthus' arguments about population outstripping food supply, the assumptions in the argument are questionable.

The 1978 Green Paper on Energy Policy provides a good illustration. It predicts that in the year 2000 energy consumption will have gone up by about 30 per cent, almost all the increase going to manufacturing industry.

The Green Paper has some suggestions about where this energy comes from and these are shown in Table I.

Clearly, the planners are pinning their hopes on coal, gas and nuclear power to give the extra energy. The question they do not answer is how much of the energy is used in the form of

electricity. This is important for the nuclear industry and the NCB, 2/3 of whose output goes on electricity.

One problem is that if coal, for example, is burnt in a conventional power station then about 2/3 of its energy is wasted and the cost of electricity must be much higher than the original coal. As a result it is very unlikely that electricity will be used by industry when coal or gas could be used instead.

If the planners have got it wrong and electricity demand grows more slowly than they expect (this has actually happened in the past few years) then not so much nuclear power is needed. The Green Paper estimates that in 2000 Nuclear Power Stations will supply 25-40,000 MW, which requires one or two power stations to be built each year from 1985-2000. If that programme has to be cut, then one casualty should be the

Fast Breeder Reactor. This type of reactor produces more nuclear fuel than it uses and so can extend the stocks of fuel but it is only economic if you have a large nuclear programme. If that does not come in the next 50 years, then there is no point in the next few years in building the first full size FBR, the Commercial Demonstration Fast Reactor at a cost of £1.5 billion.

If there is a great expansion of nuclear power in this country, it will not be because it is necessary. It will be because the electrical industry has been allowed to preserve its interests. The CEB and the giants of the electrical business have enormous resources tied up in the production, distribution and consumption of electricity. It is because of these interests and their desire to protect their profits that we will be lumbered with an expensive, inefficient and dangerous supply of energy.

The irony is that to an extent their plans are self-fulfilling. To build a power station requires a lot of energy. In France very little energy will come from nuclear sources in the near future; it is all being used to build more power stations — much to the delight of the contractors. *Charles White*

Table I

	1977 Actual	2000 1978 Green Paper
(millions of tons of coal equivalent)		
Coal	122.7	170
Oil	136.6	150
Gas	62.8	50-90
Nuclear	14.3	95
Hydro		
Total	338.4	450-560

Middle East:

West Bank deception

The recent Israeli High Court ruling ordering the dismantling of the Gush Emunim settlement on the West Bank has again focussed attention on expansionist moves in the Occupied Territories. But the hysteria engendered by this legal slap in the face, transferring a cluster of pre-fabs from one piece of Arab land to another, merely conceals the continuing drive to establish Zionist settlements throughout the West Bank.

Despite all the fine words, the well publicised and 'just' court decision, and the 'principled' resignation of Dyan, the violence continues both inside and outside the Occupied Territories. In last month's issue we reported on one prong of Begin's strategy, the horrendous artillery attacks still pounding South Lebanon.

Here we document the continuing colonization of Arab land and displacement of the Palestinians within Israel and the Occupied Territories.

Hardly a week passes in Israeli politics without a new story of the further annexation of the West Bank and Gaza, and even more shocking, of moves against the concentration of Arabs in Galilee within the existing Zionist State.

The above Ha'Aretz editorial followed yet another scandal on this theme. The Agriculture Minister, Ariel Sharon, had announced the 'expansion' of four Zionist settlements on the West Bank. What he failed to say was that these 'expansions' were taking place about twenty kilometres from the original settlements. He was, in fact, creating four new villages.

41 settlements have been established or are in the process of being built on the West Bank ... 3 more will soon be added to these when the Army hands over camps to civilians early in 1980.

Even if the 'autonomy' plan goes ahead, the Israelis plan a physical presence over and above the continued Army control of the area.

This was explained by Mattityahu Drobles of the World Zionist Organisation when he called for a ring of 16 Israeli settlements around the Arab town of Nablus.

'Referring to the West Bank

Arabs as "the minorities", he said. "They will find it difficult to unite and create a continuous territorial entity if they are cut off by Jewish settlements". (*Jerusalem Post* 26 July 1979).

Adding official blessing to this strategy, the Government announced in late September that Israelis could now buy land on the West Bank and in Gaza. The announcement brought a storm of protest from Arab mayors and the chairman of the Federation of Trade Unions on the West Bank who correctly defined this action as further robbery of the lands of Palestine.

In an editorial on 5 September, the Israeli daily *Ha'Aretz* asked whether the Prime Minister, Menachim Begin, really wanted 'autonomy' for West Bank Arabs or was he still pursuing the dream of a Greater Land of Israel?

The truth is that Begin, one-time leader of the Stern Gang butchers, is still committed to the political aspirations of his youth — a Jewish state spanning both sides of the River Jordan. Or, as another extreme nationalist Uri Zvi Greenburg put it.

'And there will be a day when from the river of Egypt to the Euphrates

And from the sea to beyond Moab my young warriors will ascend

And they will call my enemies and haters to the last battle

And blood will decide who is the only ruler here.'

The first prime minister of Israel, David Ben Gurion, once wrote of Begin:

'... when for the first time I



Menachim Begin

heard Begin on the radio I heard the voices and screeching of Hitler, and when, yesterday, I saw the excited expressions on the faces of Ben Eliezer, Begin and their friends — I recognised this murderous look.'

However, Begin's Herut Party did not win an outright majority in the last election, and forced into a coalition (albeit a right wing grouping which includes the National Religious Party), he has had to compromise his fascist principles. This has left a vacuum on the extreme right which has prompted the creation of the Tehaya party whose demands, ironically, mirror Begin's own dream of a Greater Israel. They are now the most strident voice supporting the Gush Emunim (Block of the Faithful) settlers.

Begin's room for manoeuvre is rapidly disappearing. His extreme right wing economic policies (as disastrously applied by finance minister Simha Ehrlich) within the context of the international recession, have plunged Israel into three figure inflation, impoverishing not only the Palestinians but also largely Oriental working class. Like the poor whites of Southern USA, or of South Africa, these Israelis are shifting even further to the right.

For the Palestinians this experience is a familiar one. Like prison interrogators, the Israelis present two faces. On the one hand that of the sadistic

thug, and on the other, the treacherous sympathetic ear enticing betrayal. This is the bait held out to the Palestinians in the Camp David proposals for an autonomous West Bank and Gaza State. Dayan, like Young before him, has told the Palestinians this is the best they can hope for. It is this or annihilation — and he staked his job on it.

In the face of mass opposition and formal PLO rejection of any such agreement, Arafat informed the Black USA delegation last month that the creation of an Independent Palestinian State on the territories occupied by Israel during the 1967 war could form the basis for a negotiated peace. (*UPI, Guardian* 22.9.79).

But the Palestinians know that acceptance could place them in the palm of the hands of the Israelis. They would achieve neither the return of their homeland, nor any form of national autonomy. Geographically divided and economically unviable, they would be politically impotent and dependent on Arab charity. They would be nothing more than Israel's Bantustan — a pool of cheap labour.

In Beirut on Jerusalem Day this August Yassar Arafat said: 'If you corner a cat it becomes a tiger.' This is the Palestinian mood today. But only a working-class revolution spreading throughout their movement, and throughout the front line states can ensure for the Palestinians not a corner, but their homeland.

This summer there has been offensive action by Palestinian workers in the Occupied Territories, and in Syria Assad has been seriously shaken by his own working class. The Palestinian movement is the lever to the Arab revolution.

Steve Faith, Vanessa Stilwell and Glyn Secker.



A Gush Emunim settlement on the West Bank.



Cuba in the World Mike Gonzales

Ten years ago Cuba was a model for many revolutionaries. Che Guevara's death in Bolivia in October 1968 was the peak of the idea of the heroic guerilla; it was also the end of Cuba's attempt to develop a Latin American revolution.



The seventies have seen Cuba acting on behalf of Russia in southern Africa. In 1970, at Algiers, Castro attacked the Movement of Non-Aligned Nations for its suspicious attitude towards the Soviet Union; Cuba had recently joined Comecon (the Eastern European Common Market). Today, there is no doubt that the Cuban Communist Party is entrenched in power; the new Constitution so loudly proclaimed last year is modelled directly on the Soviet document.

All these are secondary points. The key to Cuba's presence in Angola and Ethiopia, to its defence of global Russian interests, is to be found in the road to economic development that Cuba has chosen.

The illusion of a third world

So why is Cuba, which is so clearly integrated into the

Soviet global scheme, still a member of the Non-Aligned Movement, whose last Conference was held in Havana? The answer is in the shifts and changes that Cuban policies have undergone. After all, there was a time when you could hardly move in Havana for freedom fighters (from Basques to Vietnamese) training or resting in a friendly Cuba. These were the heady days of the Tricontinental Conferences, the 1967 Cultural Congress and the Revolutionary Offensive so like the Chinese Great Leap Forward.

How, then, did Cuba move from that to become a 'Socialist State' closely intermeshed with the Eastern European bloc? Part of the answer lies in the limits of any attempt to create socialism in a single country—and especially a dependent one. Partly, too, it has to do with the political character of Castro's movement itself.

Guerillas in power

The movement which Castro and Guevara led into Havana on January 8th, 1959 was a political front rather than a party. Though its style was radical, the 26th. of July Movement contained liberal democrats, assorted leftists, some Marxists and a very few Communists. Castro and Guevara were deeply hostile to the Communist

Party (they had refused to include the CP in the Opposition Front formed in Miami in 1958)—and with good reason.



From the mid-1930s onwards, the Popular Front line imposed by Stalin had led the Latin American Communist Parties into alliances with all sorts of bourgeois nationalist organisations and populist leaders like Batista in Cuba. The Cuban CP had been the most slavish disciple of the philosophy of 'Browderism' (Browder, General Secretary of the the United States CP had prepared to dissolve themselves if that made alliances with other parties easier). In collaborating with the radical populism of Batista, the Cuban CP had progressively abandoned any independent revolutionary positions, negotiating instead with Batista over the price of their support.

Trapped in a theory of stages, it supported Batista in his fruitless and short-lived attempt to create some form of bourgeois democracy in Cuba and promote gradual economic growth

So the generation of revolutionaries from which Castro and his companions

came knew the CP as an organisation that had collaborated continuously with the bourgeoisie. In return they had been given control of the trade unions; by the early 1950s they had become totally corrupt. The best organised workers in Cuba did have a relatively high standard of living, in exchange for which their (mainly Communist) leadership had ensured that the working class movement was isolated from any involvement in politics. What passed for socialism in the 1940s and 1950s was a travesty of the theory of the independent political organisation of the working class for the conquest of State power.

In the rest of Latin America, the history of the Communist Parties had been very similar; collaboration with populist leaders, the postponement to an indefinite future of any attempt at workers' organisation. By the 1950s, no Latin American Communist Party could claim the leadership of any major struggle or significant sector of militant workers. They had become corrupt political machines—and little else (the Argentine CP is probably the clearest example).

A monstrous embrace

The new generation of revolutionaries were, in the

main, radical petit bourgeois (students and professionals). They were the critics of a corrupt and repressive State machine. But they were very unclear about their relationship with the working class, and the CP leadership ensured that they had no access to it. In this sense, they were not socialists, but a bourgeois opposition; when they did discuss the question of the transformation of Cuban society, the agent of that change would be themselves.

Later, in search of an 'un-corrupted class' they turned to the only class which they could see involved in struggle in a more or less continuous way, which was most clearly and 'purely' oppressed, and which lay outside the traditional workers' organisations—the peasantry and the poor slum dwellers of the cities. They talked a great deal about oppression; but it was a moral slogan—they had no analysis of the social relations and the economic structures created by and sustaining a system of exploitation.



These, then, were the guerrilla fighters of Cuba in the fifties, and of the rest of Latin America in the 1960s. They were sincere, committed, largely petit bourgeois groups whose zeal and courage was a poor substitute for the lack of any political tradition which might connect them with a growing working class.

It was this same lack of a tradition, of a political and economic strategy, which in a sense led Castro and the Cubans back into the arms of the Communist Party. In the first two years of the Revolution (1959-61) its programme was basically social democratic. By guaranteeing full annual wages for the sugar workers (170,000 of them, employed until then for only six months a year), by eliminating unemployment, by redistributing the major estates (63% of them U.S. owned) and nationalising the main services (banks and financial institutions, electricity, telephones and transport) the Cubans assumed that the economy would expand, more goods would be produced and the unused capacity in the economy brought into activity.

Yet from early 1960 the hostility of the US and a

growing blockade which had become official by December of that year brought it home to Castro that his pragmatic policies had not touched the fundamental structural problems of the Cuban economy.

By 1958, Cuba was little more than a department of the US economy producing sugar (most of it sold direct to the United States through a quota agreement) and exchanging it for manufactured goods imported from the United States. Cuba had neither technology nor capital; it lacked the infrastructure and the machinery to create its own industry and it lacked the capital to finance such a venture even had the nearest (US) market been open to it.

This was the classic cycle of dependence; it is more than just exploitation, more than imperialist domination in a direct sense. For that dependence is the *built-in* and continuously deepening backwardness of the economy in its relations with the industrial world, together with the inability to resolve the problem by accumulating capital. The economic surplus is gathered at the effective centre of the economy, which was not Havana but the centre of the international economy of which Cuba was just one department — and that was in the United States.

Cuba's 26 July Movement had no economic strategy; there had been an agrarian reform (1959 and 1960) which brought a more just distribution of the land and the collectivisation of some of the larger estates, but it had not solved the problem of accumulation. Further the problem of sustaining the economy at all became especially urgent after the American blockade — and Cuba turned to Russia for aid.

Within Cuba, only the Communist Party was politically in sympathy with and prepared to operate a system of centralised planning. In 1961-63, the evolution of a central plan was a direct consequence of Russian aid. For like any other banker, the Soviet Union was anxious to guarantee both a return on its investment and an outlet for its capital goods (its technology). So there were strings attached to Soviet aid; they insisted on working with planners who understood their economic system and supported Soviet objectives both in Cuba and globally. This was the price to be paid and Castro accepted it,

albeit with some reluctance.

The Missile Crisis of 1962 changed Castro's attitude to the Russians, for the crisis had shown how tenuous were Russian guarantees of Cuban survival. The excessive centralisation of the planning years (1961-3) and the emergence of a largely CP bureaucracy moved Castro to seek out an alternative strategy and an independent political base. That search brought him full circle, back to the concept of the heroic guerilla and to Latin America itself; it was there, in the other Latin American republics, that he thought Cuba could find the instrument that might ensure Cuba's relative political independence from Russia as the cycle of economic dependency deepened.



The Guevara Years

It was now that Che Guevara became an important figure in the Cuban Revolution. For not only was Che the theorist of the guerilla war, but he had also begun to evolve an alternative economic theory closely based on the Chinese Great Leap Forward. The two things were not unconnected. Both theories were based on one central idea

that was anti-Stalinist at its core. Che's theory of guerilla war started by rejecting, implicitly, a theory of stages. He claimed that the vanguard, through armed struggle, could create revolutionary conditions where none existed.

The problem was classic; the revolutionaries, in this theory, became not the leadership of the working classes (workers and peasants) but a substitute for them. The role of the masses was to support the actions of the revolutionaries, but it was they and *not* the class who would be the principal actors, the agents, of revolutionary transformation.

In that situation, of course, there is no need for a party linking the sectors of the class and expressing the general class interest, the question of the political character of the Revolution is left to be worked out later. Yet it was Cuba itself that had shown that the political leadership would then fall to those who did have a clear concept of political organisation and the character of the State — in this case, the Communist Party.

It is worth underlining again the healthy criticism of Stalinism which underpinned these ideas (and which incidentally, made them attractive to Debray and the other European intellectuals who could not understand why the Euro-



The Guevara: hero for a generation of European intellectuals.

pean working class was so slow to follow their lead). Similarly, Guevara argued against the Communist theories of economic growth and for economic *development*.

He argued (particularly in his essay 'Man and Socialism in Cuba') that socialist transformation should *accompany* economic development, rather than be postponed (and till when?) to the point when the economy had reached some 'take off' point. For if the Russians and their Cuban spokesmen insisted that the economy must first grow within its present structure, then in a very real sense they were imposing upon Cuba the iron laws of capitalist accumulation, and dependent accumulation at that. The whole cycle was about to begin again.



In an attempt to find a way out of that straitjacket, the Cubans turned to the Third World, and to Latin America. They saw there a bloc that would be capable of developing the resources and creating the market on a scale that would make accumulation possible in the short run.

Guevara had argued that the Cuban economy should not function as a capitalist economy, insisting on the productivity of each individual firm in a situation of controlled competition for the available

resources (the CP argued that it should, and thus be governed by the law of profit) but rather like a single enterprise whose surplus was accumulated centrally and then redistributed according to needs determined politically. In this way, he believed, the economic transformation of Cuba (development) would go hand in hand with changes in its social relations.

But where was the surplus to come from? Cuba was too small, too limited in resources to accumulate capital at this level. If Latin America! on the other hand, could operate as a single bloc, economically and politically then it could resolve the problem of accumulation (he believed) — especially in conjunction with an emerging and independent 'Third World'. Thus Cuba began to 'export' its revolution, and actively support the revolutionaries of Latin America. It was this attempt to create a 'Third Bloc' that moved Cuba into the ambit of the Movement of the Non-Aligned, and gained it its revolutionary image in the world.

Yet here again the flamboyant support of freedom struggles hid the absence of a coherent alternative strategy, and the dangerous assertion that the vanguard could create and develop revolutionary conditions where no movement of the masses existed (see *Revolution in the Revolution* by Regis Debray, which Castro enthusiastically endorsed). The call for 'one, two, three many Vietnams' took hundreds of



Castro back in the arms of Brezhnev

idealistic and courageous young men and women into the Latin American countryside in search of a 'Cuban solution'. They died, in their hundreds, to little or no purpose in the unequal struggle with a US-backed military machine.



Will power is no substitute for fire power, the struggle between generals and guerillas not at all the same as the struggle of an organised political movement of the working class to challenge for State power and establish its alternative society.

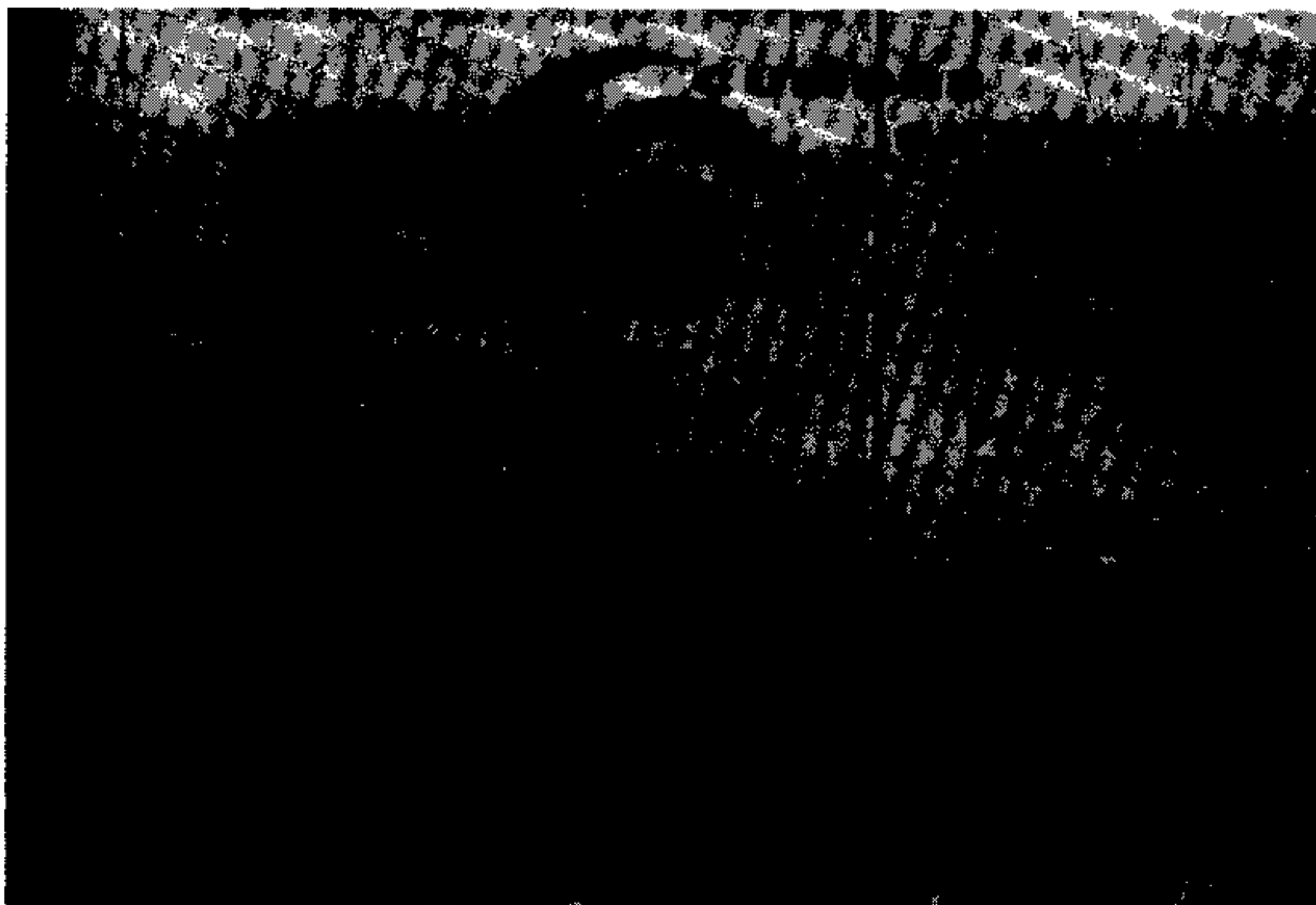
The Eastward Turn

By 1968 that strategy was dead,

though it lived on (with all its confusions) elsewhere in Latin America. Castro's speech approving the invasion of Czechoslovakia had little to do with what was happening in Prague. It was an acknowledgement of Cuban dependence on Russia, of its integration into the Soviet economic and political ambit and its final acceptance of a Russian model of economic growth and social organisation.

Could it have been otherwise? Almost certainly not— Cuba had neither the resources nor the strategic leeway to create an independent economic base. Yet there was, between 1963-68, an awareness among some Cubans that there was an alternative strategy — the internationalisation of the struggle, a generation of organs of popular power within Cuba, and a search for political independence from Russia and the Cuban Communist Party. The key element was still missing, though. There was no attempt to identify and seek to build the forces of working class opposition elsewhere in Latin America, no conception of the self-emancipation of an organised working class. And it was that, *fundamentally*, which condemned the Cuban revolution, within and outside Cuba, to fail.

Today, for all its radical rhetoric, Cuba has little left about it that is socialist — though there is a higher standard of living and a range of social guarantees. But that is not socialism. The critics of government are silent, and the organs of popular power are channels transmitting downwards the decisions of the leadership. The famous call that Castro made in 1961 — 'within the Revolution everything out-



King Hussein speaking at the 6th Non-Aligned Summit Meeting in Havana.

side it, nothing' has been turned on its head, as the defence of the Revolution has come to mean unquestioning support for the policies of the government.

The ambiguous figure of Castro is now comfortably installed in the combined role of President, Head of the Armed Forces and Secretary of the Cuban Communist Party. Most importantly of all, the Cuban economy now functions as a department of Comecon, subject to exploitation by a new metropolis and administered, and administered by the iron laws of a State-run market place whose laws are the laws of profit.



So what is Non-Alignment?

On the face of it, that leaves 'non-alignment' as little Russian interest. But it isn't that simple.

For the 'Non-Aligned' countries, non-alignment means finding a political position independent of both Russia and America. At times this has produced a line sympathetic to China (through the Bandung Conference of 1955). Yet it is not a Chinese front either.

The reality is that non-alignment is based on a crude myth of quantity. It is as if the pooling of resources among the underdeveloped countries of the world could give them an economic power equal to that of the two major power blocs. It fails to see, of course, that the real issue is control over the dynamics of the world economy. To break the grip of the industrialised world is not a matter of outvoting the USA at the United Nations but of transforming the structure of the world economy.

Non-alignment does not pose the issue that way. It exists, rather, as a means of renegotiating the relations with the West — it is a bargaining tool. To that extent the confused politics of the leaders of the Non-Aligned Movement (from Nyerere of Tanzania to Manley of Jamaica) are a response to the economic interdependence of the world economy — but not a challenge to that economic order.

Within each of these States, dependent development breeds a bourgeois class which is both subordinate to the general laws

of the world economy, and its major centres, and anxious to achieve a degree of political independence. The Non-Aligned Movement represents the collective defence of their interests by the ruling groups of the underdeveloped countries whose economy is inextricably enmeshed with a world order.

Michael Manley, Prime Minister of Jamaica has developed a theory of the NIEO (New International Economic Order) which is really an attempt to argue that there should be a more just distribution of resources on a world scale. (Why not, he asks, let the poor countries of the world be exclusively responsible for producing textiles; that would be fair, he argues, and for the West it would be little more than an act of political realism). Within Non-Alignment a number of different political lines are represented: after all Chile, Argentina and Brazil, Iran and Morocco, Algeria, and Tanzania, India and Mexico are all members. They differ widely in their internal methods of control and domination; but non-alignment makes no demands on internal policies. It has to do with the political negotiations of the Third World's ruling class with regard to its respective metropolis.

In this sense, Cuba's spirited general defence of the Soviet interest (on its world role, its 'anti-imperialism' etc) combined with particular criticisms over levels of penetration, terms of trade, loan conditions etc are not contradictory. That is why, in the end, Nyerere, Manley and Castro could embrace in front of the cameras at the end of the Havana Conference.

As for the future of socialism, Non-Alignment reflects only the continuing confidence and organisation of the bourgeoisie of nations still unequally tied to a metropolis and a world economic order. Their defence of their own interests against the two imperialisms will be no more vociferous and determined than their attacks on any movement that attempts to replace the 'national interest' (their interest) by the class interest of an exploited and organised working class.



Africa:

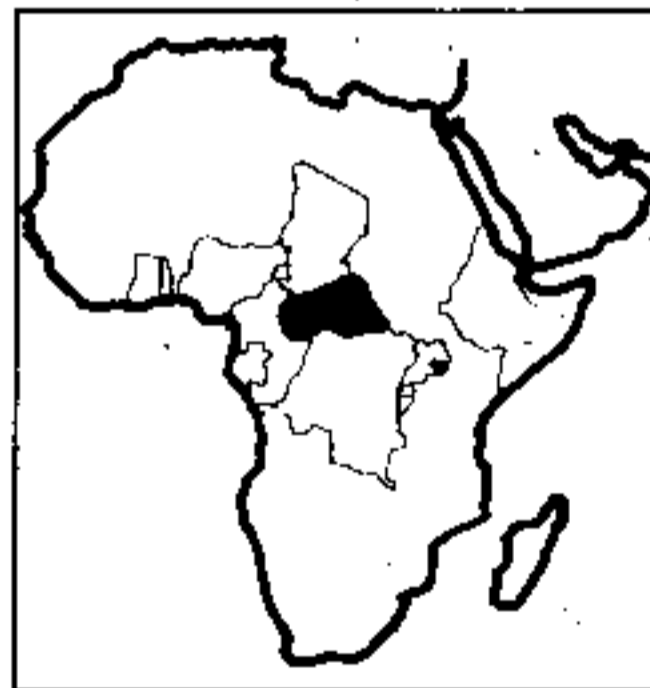
France and the Fall of Bokassa

Few would doubt that France ousted Jean-Bedel Bokassa from his Central African Empire. Even fewer will mourn the fall of the despots' despot — for he was self-appointed Field Marshal, Life President and Emperor.

But France's action shows up its role in Africa. A role that was, until recently, little publicised; and one which is strikingly different from that of the other major powers in Africa. The rise and fall of Bokassa is a perfect example.

He wasn't overthrown in order to liberalise the political regime in the Central African Republic (CAR). After all, most of the leading political figures in the Bokassa administration were retained by the new regime.

Nor was it for bringing the



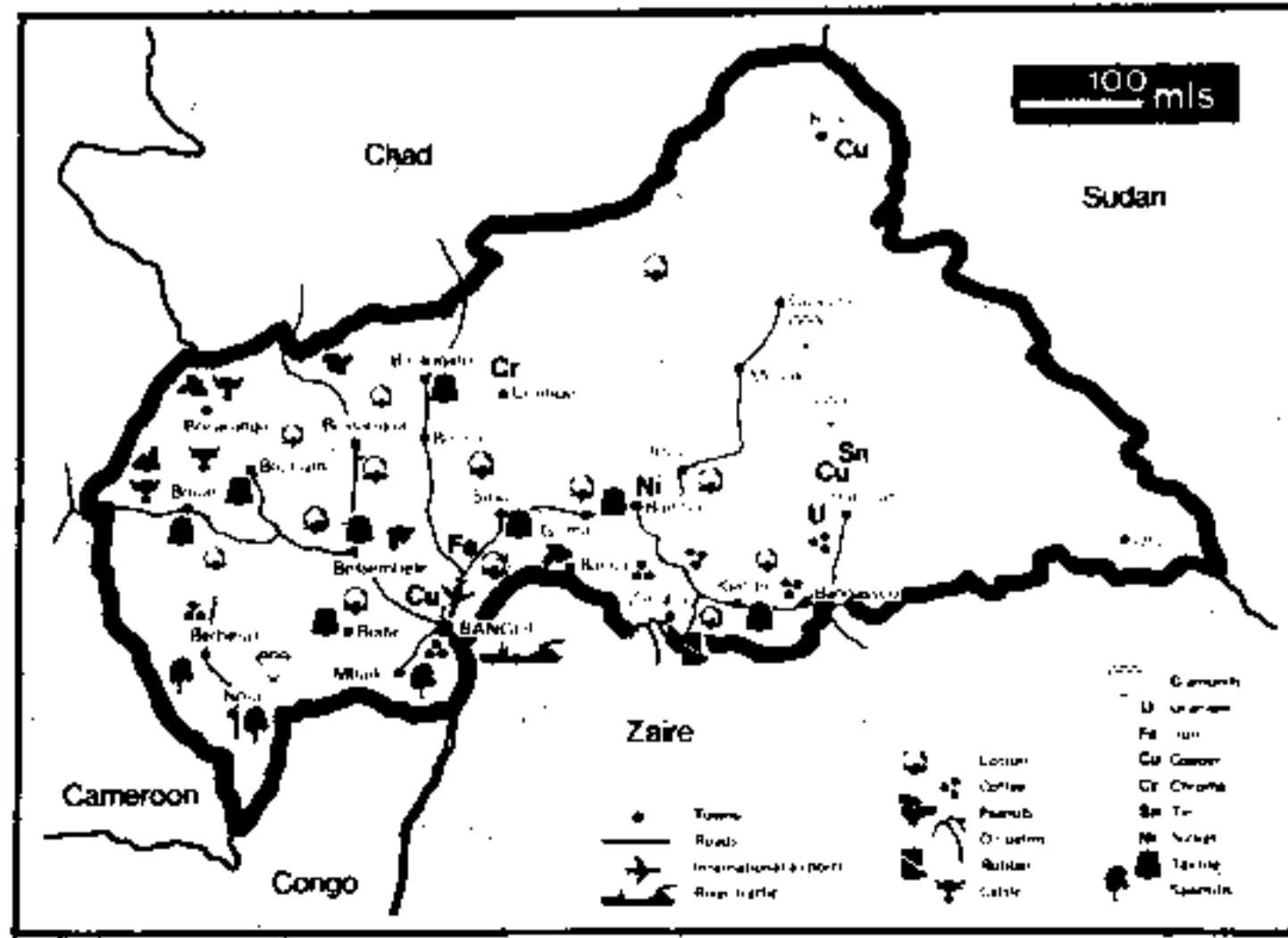
Jean-Bedel Bokassa country to bankruptcy — a country that is one of the ten with the lowest living standards in the world.

Nor was it for killing school-children when they refused to wear school uniforms which they could purchase only at Bokassa's expensive shop. After all, the French development minister, when told of the massacre, described it as a 'pseudo-event'.

Bokassa was not overthrown for striking President Giscard d'Estaing's personal envoy. Nor was it for his generous gifts of diamonds to French ministers.

Raw Materials

Bokassa had to go because his mis-rule was beginning to threaten France's economic,



political and military strategy in Africa. Ever since the OPEC oil-price rises in the early 1970s France has looked to Africa for her energy supplies.

Nuclear energy is expected to generate 70 per cent of France's electricity supplies by 1980. Growing instability in southern Africa — and especially in Namibia, one of the world's main producers of uranium — has added to the importance of the Bakouma uranium mines in the CAR.

Until this June COGEMA, the French state uranium procurement agency, refused to proceed with the development of the Bakouma uranium reserves. Their reason was the growing political unrest within the country.

President Giscard's brother Olivier is a senior member of COGEMA's board and has visited the CAR several times. Giscard's brother Jacques is financial director of the French atomic energy commission. His other cousin, Francois, specialises in Franco-African financial deals as director of BFCE, a French banking group.

The problem was how to persuade Bokassa to resign gracefully without an escalation of the civil strife in which 'outside interests' might be involved — chiefly the left-wing Patriotic Front, of Ouganguians (PFO) based in neighbouring People's Congo.

It was expected that in August Dr Abel Goumba, head of the PFO, would announce the formation of a provisional government-in-exile based in the Congolese capital, Brazzaville. Parallel to this, the PFO was known to have armed units operating within the CAR and enjoyed the support of many students and civil servants within the country.

The PFO would also threaten the proposed French military base adjacent to the uranium mine. When Bokassa refused to co-operate, Giscard decided to dump him and replace him with a regime more acceptable both locally and internationally.

French interests in Africa are not confined to the CAR. In 1977 42 per cent of France's strategic minerals were imported from Africa. Gabon, next door to the CAR, has vast uranium and manganese reserves and is a major oil producer. Congo and Cameroon are thought to have large reserves.

Zaire is the world's most



Mobutu enjoying the good life. While he still can

important producer of industrial diamonds and of cobalt, and is also a major source of copper. Niger, to the north, is the world's second largest producer of uranium.

These countries are all closely linked to the French franc. If substitutes for their products had to be found elsewhere France would have to pay in foreign currency rather than in francs.

90 per cent of Gabon's oil output goes to France. Only 25 per cent of the oil company's equity is owned by the Gabonese government, contrary to OPEC guide-lines which recommend majority control. Furthermore Gabon charges France a 73 per cent tax rate as opposed to the 85 per cent generally levied in the Gulf states.

According to a former French foreign minister, if uranium mining in Niger were halted for three days France would lose ten million francs. Niger, on the other hand, would only lose a third as much.

Military connections

In order to maintain these privileges France has to keep friendly African leaders in power. How better to do this than have French troops permanently garrisoned in the host countries?

Last year Giscard had 100 troops in Mauritania, 1200 in Senegal, 550 in Ivory Coast, 2000 in Chad, 550 in Gabon, 4500 in Djibouti, 700 in Zaire and 4000 in the Indian Ocean islands of Reunion and Mayotte. A military base is being completed at Franceville in the heart of Gabon's mining district.

In March 1977 France and

Morocco intervened militarily to aid General Mobutu of Zaire. This set a model for the use of French and Belgian troops to rescue Mobutu yet again in May 1978. However, there are increasing signs that Mobutu will soon be following Bokassa into exile.

Mobutu (like Bokassa before) rules with a 'curious mixture of tyranny and neglect', as the *Economist* put it. Inflation is running at around 100 per cent and there is a shortage of most basic necessities.

In May this year a series of major strikes for higher wages broke out in a number of large Zairean firms. Banks, breweries, hospitals and waterworks were among those hit. More important, however, were the strikes at the state-owned inland waterways transport company and at Shaba's dominant mining company.

These striking workers are a new threat to Mobutu and to Franco-Belgian mining operations. To quote the *Economist* again, 'If the French were prepared to throw Bokassa to the lions, why not Mobutu too, if the lions roar loud enough?'

France's military activities have not brought any protests from the freedom-loving western powers. They don't in the least mind Giscard getting his hands dirty. On the contrary, British officials are said to be envious of the French operation.

At the meeting of the European Council in Copenhagen on 7 April 1978, Helmut Schmidt, the west German chancellor, said that 'France, for historical reasons, has a huge and precious experience (of the third world — BP) which

should be saved and used in the interest of all Europe.'

Expansion

Besides guaranteeing access to cheap raw materials French policy in Africa is to increase markets and contracts for France. This motive has sometimes led to a complete about-face in policy.

For example, Western Sahara. Until last year French Jaguars were bombing the Polisario who were fighting Morocco and (then) Mauritania. In the same year, Algeria, who supports Polisario, decided to order state contracts and purchases away from French firms.

This immediately prompted Giscard to amend his stance in the Sahara war. Previously French links with Algeria and other Arab countries had brought French business considerable rewards.

Currently France is courting Nigeria to obtain a larger share of the latter's home market. To placate the Nigerians the French delegate to the UN Security Council voted with the African bloc when the US was censured for allowing Ian Smith to visit Washington.

France's representative was also surprising critical of the internal elections in Zimbabwe and promised that France would maintain sanctions.

He didn't mention that French firms have been prominent sanctions-busters; nor did he bring up the French contract signed in 1976 for the construction of South Africa's first nuclear power plants.

As one African magazine commented at the time, 'with the end of the myth of South Africa's military invincibility and its growing economic difficulties, the French decision was hailed as a victory for the regime.'

'After the liberation of the former Portuguese colonies, the intensification of the liberation struggles in Namibia and Zimbabwe, and the Soweto riots, the French have momentarily boosted South Africa's sagging morale and put teeth into its nuclear threat.'

Indeed, PW Botha, South Africa's defence minister and now prime minister, commented: 'Where would South Africa be today without France?'

Judge people by their friends...?

Bipin Patel.

The Engineers Strike

What Next?

Jack Robertson



I don't like Duffy
no 4-year deal

It is very difficult to separate an assessment of the engineers' strike from the settlement itself. We described it as a 'Bad Draw' in *Socialist Worker*, and I think that is about right. But if you read the recent articles in the *Birmingham Post* (discussed elsewhere in this issue) you've got two top wallahs with diametrically opposed views of the outcome. Perhaps more importantly — two days after the deal the *Financial Times* was criticising the EEF for the settlement — yet the same paper was saying before the deal that employers had to be firm but the 1979 engineering wage claim wasn't the issue to fight on!



AUEW picket Smiths Waterloo Lane
"... the amount of solidarity was a real surprise".

The fact is that the employers were not clear on the issues; like much of the membership. The big firms were divided among themselves — for example the GEC incident — and so were the small companies. There was a fantastic schizophrenia from the second or third week of the one-day strikes. And for us it was a split between seeing the only way of winning as being ALL OUT, but at the same time what Len Blood described as 'a feeling in the pit of the stomach that if we don't watch our step we'll be in for a real hammering.'

All that was reflected in the settlement itself. On the one hand there were cracks appearing on the union side, on the other hand there were signs of people wanting to go for broke. So basically the employers bottled out of a real confrontation. They failed at British Leyland with the back to work campaign, they failed at Rolls-Royce with the lock outs — even though the stewards didn't respond anything like adequately. Employers hadn't managed to intimidate the rank and file.

Now, after the strike, that's changed. For example the police attacks and court attacks on the Vauxhall pickets, the Rosedale strikers and so on.

Tentative

Looking at the lock out tactic, as a tactic, the employers were very tentative: there might be reprisals. There were probably memories of the Manchester sit-ins of 1972 at work, and the realisation that tactics can spread. It was significant they moved to cut off electricity in Rolls-Royce to forestall attempts at occupations. The members' response was quite strong. For example, Lucas Burnley was locked out — but this was in retaliation for the blacking of work for Rolls Royce.

After the settlement it was also apparent that management was quite eager to get back to work: they tried a phased return at Rolls and gave up in the face of opposition.

What was significant, however, was that at each turn of events during the course of dispute it was the EEF that took the initiative. Going back to the beginning there was the decision not to settle. Then they took the decision not to let Duffy off the hook. They took the decision to go over the head of the officials and stewards to try and subvert the rank and file. They tried to hold secret ballots. They pushed the lock outs.

Most important of all it was the EEF that took the decision to transform the strike into a political confrontation. It was always a battleground of their choosing. I'm not of course saying that they succeeded. In fact they backed down. But this does not change the facts of what happened.

It is dangerous to look back at the dispute and say with hindsight that it was going this way or that way — a blanket approach. You then ignore the dynamics of the dispute. It changed from week to week and even from day to day. Attitudes were forming, changing and developing. For example, everyone — the EEF, the officials, the press, the Broad Left and us — everyone thought the response to the first one-day strike would be poor.

In fact the amount of solidarity was a real surprise, which in turn affected the second walk out. The third one-day strike was generally the best, and it left the bureaucracy with a dilemma. The stakes had been upped, they had to deliver. The employers would not let them, yet they were terrified of all out action. So they went for the two-day option, which in bureaucratic terms was the best they could do.

The Deal

The employers realised rapidly what was in the small print, what they had won. And on the other hand, on our side there was a feeling of relief, then a feeling that the one hour was quite good, and only slowly a realisation, as the CSEU circulars came through, what the settle-

ment actually amounted to.

It was only towards the end of the first week that the reality began to sink in — no action against scabs; nothing for shiftworkers; changed implementation dates; the productivity concession; the unions' hands tied on conditions for four years.

Undoubtedly the settlement was and is significant outside the industry — and I think we should say this clearly — in giving confidence to others: Fords, the miners, the engineers in the rest of the world.

But from the point of view of the vast majority of the members of the AUEW, TGWU, EETPU and other unions who came out they are in the position of having to fight all over again to win at local level what they thought had been achieved nationally. Even the 39 hours is not guaranteed. A lot can happen in two years.

Broad Left

What's got to be said about the Broad Left now is they no longer have any organisational or political coherence — which they had under the leadership of Hugh Scanlon. Both were simple then. The organisation came about largely through their control of the official structure in a whole number of important districts. The political cohesion was achieved through a completely uncritical attitude to Scanlon. Almost as though he was the Chairman Mao of the AUEW, whose words were written on tablets of stone.

Neither really exists any more. The right has swept the board and Bob Wright — Scanlon's natural successor — is not in any real position of power. He does not sit on the EC or the National Committee. He has very little scope. The Broad Left's only real seat of power is on the National Committee, which of course meets at the discretion of the totally right-wing EC.

And there is no clear leader on the National Committee. There are various figures: Ron Halverson, Jimmy Airlie, Jimmy Reid, Sid Harraway, George Anthony. All of them have different skeletons in their cupboards. The whole



Bob Wright. In no real position of power

thing was epitomised by the divisions among them at the Birmingham national meeting of engineering stewards after the strike ended. Halverson was calling it a 'disaster', while Anthony was calling it a 'major victory'.

The wind-up to the strike of course was pitiful. There was no real campaigning except in Sheffield. Though looking back through the Charter we had the front page in March on the 35 hours, the page 2 headline was 'All out — £80/35 hours', page 3 was 'National claim—the facts'. So we were pushing a little.

We called for pickets in Tothill Street. And it's worth pointing out that in 3 or 4 lobbies the maximum attendance was 200. And it was a miserable disorganised affair, with even Sheffield getting cynical. There were lots of remarks about 'Tothill St used to be blocked' and so on ... so when we held a Charter business meeting of 32 people on the eve of the strike, the vast majority were extremely sceptical about anything happening, as I suspect was everyone else in the industry. People were sure of a sell out, very doubtful about members' support, unhappy about the claim and so on.

Charter

The real difficulty for us now as well as during the strike is arguing the politics as well as the organisation. We knew we were not in any sort of position to put into practice what we were calling for. We couldn't even have delivered an all out strike in a single district.

What I think we did achieve was that we have a distinctive independent position. Independent both of the Boyd/Duffy axis and of the Broad Left. We opposed National Committee-type politics all along; the fact is the vote to go out was a fluke and could have gone the other way. We were realistic.

Organisationally of course we are still very weak. We printed 5,000 copies of the Charter before the strike and shifted most of them but it's still not much. But we did show we were a national organisation, disciplined in terms of action. We had more idea than anyone else of what to do to put our ideas across.

In terms of what we did, we produced something every week during the strike: badges, leaflets, stickers, broadsheets. We printed 15,000-20,000 copies of each of the three Charter broadsheets we issued and they went down a bomb. By the fourth or fifth week of the dispute we had local bulletins being produced in most key districts. And above all there was the local activity taking place: meetings to discuss details of picketing, how to bring pressure on the local officials etc.

The fact is, though, that local organisation is very hard to get off the ground. Nationally maybe we have 200-250 SWP members in engineering — in an industry with 2 million workers! — and locally you've got 2 or 3 or maybe half a dozen. And it is no secret that it's been one person in each area holding things



together for the last two years or so. It's very hard to maintain regular monthly meetings in that climate, so inevitably when it comes to a dispute there is a slowness to change gear.

There are no regular Charter groups as such: only something like them in places where two or three people meet in the pub after a district committee meeting to find out what's been happening or very rarely when people are concentrated in one particular branch or factory.

Priority

What came out of the strike, however, was the knowledge that we could get through to quite a lot of people we had not influenced before. That doesn't, however, extend to holding regular Charter meetings. The priority now is keeping people in contact, getting regular orders for the magazine, getting people together to assist in local strikes, collections, getting support on the amalgamation issue. Very low profile.

The problem is a complex one. For example, local bulletins in Sheffield have had really quite a lot of credibility. Financial support from two or three stewards' committees, given out in 26 factories etc. But the gains over six months or so have been small in terms of active recruits to Charter, even though the process has embarrassed and prodded the local Broad Left district leadership.

There is a general gap between respect for us and what we stand for and real influence. And sometimes — say with local disputes we're trying to help win — we're torn between making calls for all sorts of correct policies: collections, mass involvement, report backs, involvement of husbands or wives — and between making a clear break with the fulltimers or the traditional left which may in itself prejudice the workers' chance of winning that particular dispute.

In the vast majority of cases we're working from the outside — and even if most workers may agree 90 per cent with what we say about how to win a dispute,

they'll only agree 10 per cent about criticising the bureaucracy. Because it means forfeiting chances of strike pay, collections, support from local officials.

Blame

But we must go on ensuring that the blame for losing these disputes is laid at the right door — not blamed on the workers who've actually fought. For example, it was very important that the Desoutters strikes should have called for

a district levy when they were on strike and taken the decision to picket the North London District when they turned them down. It's not just North London. There was Access Equipment in Sheffield; or Adamsons in Stockport where, as I write, the money from their levy hasn't been paid out.

We have to prove ourselves on the ground in the biggest, most important areas like Birmingham, London, Manchester, Sheffield, Glasgow etc and there are going to be problems, because

of the general level of incompetence in the union and the fear that if Charter or the SWP wins disputes it will be very dangerous for the traditional left. There is a danger that we just service strikes without winning the political arguments with strikers, district committees, combines and at national level. This is emphatically not to say that from Day One we go in slagging off everything that's wrong. WE HAVE TO EARN THE RIGHT TO CRITICISE.



The Engineering Employers

Dave Beecham

The Engineering Employers' Federation, like the AUEW, has not emerged from the battle over the national claim with any great credit. Its members only achieved a very fragile unity, despite all their brave talk at their conference last February (for which see our last issue). And the reaction of some of the EEF membership to the end of the dispute, crying 'sell out', was remarkably similar to the response of most rank and file militants to Duffy's dirty deal. An amazingly open display of the employers' schizophrenic attitude to the settlement appeared in the Birmingham Post of

October 23rd, when Mr Fane Vernon, the boss of Smethwick engineering firm Ash and Lacy, virtually accused the EEF's top negotiator Mr Anthony Frodsham, of high treason! (It should be noted, however, that this was the man who denounced the CBI as a 'Shell/ICI mafia' at their 1978 conference!)

Mr Vernon of course thinks the EEF should have torn the AUEW limb from limb, not just kicked the union in the balls — but his disillusionment is real. Other leading employers in the CBI feel uncomfortable that the 40-hour barrier has been broken —

even if it is only in 1981. Writing to CBI member firms immediately after the end of the strike, Sir John Methven, the director-general, told managing directors (in a letter marked 'private and confidential'): 'The impression of an immediate breakthrough on hours is serious and it is up to all of us to destroy that impression.'

The EEF leaders themselves are naturally fairly happy with the outcome; worried about the threatened defection of one or two medium-sized companies (as well as GEC) but secure that their settlement cemented the loyalty of the large number of smallish firms who rely on the EEF not only for 'solidarity' but also for technical expertise in negotiations, for legal representation at industrial tribunals and so on. The big employers who run the EEF have made sure the minnows stay with them.

Productivity Offensive

In return for a very limited concession on hours the EEF has gained some very real concessions on pay and productivity which are undoubtedly going to lead to disputes at local level in the coming year, as companies begin to extract their pound of flesh on productivity. The AUEW, T&G, EETPU etc have put their names to a document which says that the *whole* cost of the deal should be paid for by increased productivity. The EEF has told its members it should proceed to enforce this clause. Indeed this was the substance of the very first communication from the EEF to its members after the settlement was agreed.

So not only are workers to face firms taking a hard line on productivity in return for cost of living increases, they are also going to be faced with demands for concessions for implementing the national agreement, which they have already lost 13 days' pay for. Under the new agreement national and local pay increases come in together: employers will be demanding

'The employers muffed it'
... and a member of the CBI National Council.

The debate about the strike is still rumbling on the employers' side, seen at its most passionate in this exchange in the Birmingham Post between Mr Fane Vernon, a member of the CBI national council and Frodsham of the EEF:

Says Vernon —

Here was an issue on which the employers could and should stand, fight and win. But the employers muffed it, and the ineptitude of our own negotiating committee is one thing for which we cannot blame the trade unions . . .

Having asked the CBI for support (and it is implicit that when you ask for such support you are going to make a stand, not cave in), having obtained such support, having held members' meetings throughout the West Midlands and no doubt in other areas to determine whether the support was solid and having found that it was: despite all this . . . the committee gave in.

Speaker after speaker at the CBI council meeting on October 17th condemned the settlement, not just for the excessive concessions made but for the act of surrender in itself.

To which Frodsham replies (sounding for all the world like a rattled union bureaucrat) —

'Words such as 'defeat', 'surrender' and 'cockup', come easily to the pen but have little relevance. As I have tried to show the only alternative would have been a shorter agreement with fewer advantages, admittedly without reference to the emotive 39-hour week, but with a greater immediate cost and, in reality, a shorter week sooner rather than later.'

Undaunted, Vernon concludes —

'I believe the only way to deal with the problem and to obtain credibility again is for the present negotiating committee to admit its mistake and resign.'

What next? 'Rank and File Director?'

'A realistic agreement'

productivity concessions worth half or more of the 17½-20 per cent rise in pay needed to keep up with prices. And this demand will be made *as of right*.

It is virtually certain that every dispute in the engineering industry over the next months will involve this issue in one way or another. Encouraged by the Chrysler/Talbot and Vauxhall defeat and the Leyland carve-up, as well as the EEF's own stance, employers at local level will be concentrating on familiar issues: eroding conditions; ending shopfloor mutuality on money, speeds and employment; intensifying work; cutting absenteeism; tightening-up on breaks and shift changes etc. Only this time the productivity offensive

will be far, far harder than it has been before.

Confidence

As with many things, the outcome of the engineering dispute depends on confidence. There have been some pretty clear signs that the EEF failed to intimidate the rank and file of the unions, whatever it may have done to the leadership. Rolls-Royce failed in its attempt to impose a phased return to work after the lock outs. By and large it was management which suffered in the return to work: for example at Smiths in Cheltenham and at Greenings in Warrington. The employers did not get away with many of

their attempts to escalate the dispute.

But the fact that Mr Frodsham and Mr Vernon, for example, now feel able to argue about whether the EEF took a hard enough line in the strike surely indicates that the aggressive mood is not just a one-off thing. The same forces that led the EEF to publish its famous guidelines have pushed the CBI into reproducing them as an example of good policy to follow in other firms. The Guidelines themselves *are* being followed: in lock outs, suspensions of stewards, refusals by firms to negotiate directly with the union while workers are on strike etc.

But for a clearer impression of where the threat lies, we need to look at the EEF itself: how it functions, what its forces are.



Forces in the EEF

The EEF is divided into several areas, each with its own staff and structure. Together they represent over 6,000 firms — the largest bosses' negotiating group in the country, and the largest faction within the CBI. Each of the 19 local associations elects representatives to a national Management Board, meeting monthly. This has 87 members (plus alternates), of whom some are 'co-opted' — ie they are brought in because in general they represent large firms, are London-based, and are influential. The full leadership of the EEF only meets 4 times a year; it consists of management board members, plus alternate members, plus a few who are members of the General Council but not the management board. Within the management board there are 25 individuals who form the EEF's Policy Committee which meets a week before the monthly board meetings to discuss the agenda.

As could be expected this system means big powerful companies overwhelmingly dominate the Federation's leadership. Of the policy committee the majority are either directors or managers of companies with major interests in the nuclear and/or arms industries. Some directorships of big companies interlock, in particular Lloyds Bank which seems to have cornered the market in engineering employers with seven members of the management board. A breakdown of EEF leaders, however, shows an enormous weight attached to just a few large companies.



Sir Kenneth Keith EEF Vice President

**EEF Management Board:
14 companies control a majority**

Key Companies	Members
Tube Investments	5
Stone-Platt	5
Rolls-Royce	5
BL	4
Babcock International	4
Hawker Siddeley	4
British Shipbuilders	3
GEC	4
Vickers	4
GKN	3
Smiths Industries	3
Plessey	3
Dunlop	2
John Brown	2

**Common Factors on the EEF Board
(87 regular members)**

Members of the Institute of Directors: 31
 Members of CBI National Council: 14 (+
 3 members of regional councils)
 Directors or managers of armaments
 firms: 25
 Directors or managers of nuclear firms:
 14
 Members/Ex-members of National
 Defence Industries Council: 6

The organisation is effectively controlled by a charmed circle of companies, which swap directors from time to time and are almost totally concentrated in the defence,

armaments and car industries.

Some of the individuals concerned are worth discussing in detail:

T. Carlile: a Director of Babcocks, Rolls and Vickers-Babcock. And also on the board of English Electric/Babcock/Taylor Woodrow/Atomic Power Construction. Also a member of the Energy Commission and the Civil Service Selection Board. A leading light in the Economic League. A member of the EEF's Policy Committee and former EEF President.

Sir Kenneth Keith: merchant banker. Chairman of Rolls since 1972. Director of Beechams, STC, The Times. Chairman of Hill Samuel. Leading light in the CBI. EEF Vice-President.

Lord Nelson of Stafford: chairman of GEC. Director International Nickel, Bank of England. Head of European engineering employers' organisation 1968-70. Another EEF Vice-President.

Sir John Clark: Chairman of Plessey, Director of ICL and Banque Nationale de Paris. Like Sir Kenneth Keith, one of the CBI council which backed the EEF lockouts. A member of the Top Salaries Review Body, which decides how much to pay chairmen and executives of state industries, judges and generals. EEF Policy Committee.

The Hon. John Eccles: Chairman Ransome Hoffman Pollard, Vice-Chairman Glynwed, director Davy Corporation, British Nuclear Associates (as is Mr Carlile). Director, United Consortium (Chile). Member of the Monopolies Commission. EEF Policy Committee. His father is Baron Eccles, former Tory minister.

Sir Stephen Brown: Director Masson Scott Thrissell, Provair. Ex-Chairman: Molins 1971-8, Stone-Platt 1968-73. Formerly dep Chairman Chloride and director Fairey. Was also EEF President. Member CBI Council.

Sir Peter Matthews: Managing Director Vickers, Director Lloyds Bank, British Electric Traction, Pegler-Hattersley. Was dep. Chairman of British Steel Corporation till 1976. Member of the Export Guarantees Advisory Council. EEF vice-president.

John Mayhew-Sanders: Chairman John Brown. Chartered accountant; worked for same firm — P. E. Consulting — as EEF Director General Frodsham for 14 years.

Such a list could continue for pages. And as can be seen from even a quick glance at the common factors linking EEF figures they are a 'tightly knit group of politically motivated men' if ever there was one. Indeed they make the Ku Klux Klan look like an open and above-board organisation.

Fighting the CUTS

Phil Marfleet

'The Cuts' is a phrase which, courtesy of the Labour government, has been with us for years. But in three or four months it has taken on a new meaning for millions. It sums up in a breath the way most of us are already thinking about the Tories. The Tories are cutting us, hurting us, doing something which is undeniably cruel—and of course is meant to be.

The cutting edge of the Tory axe is something they sharpen up with pride. It is literally the sharp end of the monetarist strategy—meant to take out of public spending for the sake of 'productive investment', to hugely expand the pool of unemployed. More openly, it is designed to discipline us, to help batter us into accepting the rest of the package they believe is necessary to see the British system through its crisis.

It is the Tory intention that the cuts *should be* political. For many of them, the 'short, sharp shock' of Whitelaw's new regime for 'young offenders' is precisely the effect that spending cuts should have on the majority of workers. For of course we are all offenders—greedy for pay rises, made soft by years of an indulgent welfare state, and willing accomplices of 'the unions'.

Of course the Tories are gambling. The last time they tried this sort of approach—under Heath—they were found out. They generalised political issues (union power, 'who rules') during a period when the working class movement was confident enough to respond in kind. The Tory calculation says that this time it will be easier.

It will not have passed the Tories' notice that the struggles against the Labour cuts were largely unsuccessful.



Pic Virginia Turbett

In fact, that while taking £2.5 billion out of spending, the Labour government were able to beat back national strikes of the firemen and the social workers, and until this year kept most public sector unions under close control.

Of course, like the rest of the Labour operation, this success rested on the complicity of the union leaders. In the last Socialist Review we looked at their performance so far under the very different conditions of the Tory onslaught. The predictable pattern which had been developed by last month has been reinforced. There has been a mountain of press statements, brochures and circulars listing the Tory abuses. The air has been thick with denunciations and rallying speeches.

But in terms of *action*, the union leaders are developing an acute schizophrenia—something that will surely characterise their approach throughout the period of Tory rule.

They know there must be some form of activity. All hint at it, and in some unions—the CPSA, NUPE—there is the basis of a campaign. But on the ground the story is different. Already the rank and file are way in advance of the union leaderships, and already some resentful officials are prepared to contain or crush action they cannot control.

The movement grows

The cuts *have* already produced a widespread response. We cannot yet say that there is a mass movement against them—but with quite extraordinary speed the committees, campaigns, assemblies, semi-official, rank and file, union and community-based—have blossomed all over the country. There must be hundreds of every shape and size, and though the majority have been initiated by the left (and a few by union fulltimers themselves), what is most important is that they are uncovering support amongst tens of thousands of workers who have never previously marched, lobbied, rallied or leafleted in the way they are doing now.

In Nottingham hundreds of working mothers have participated in the campaign against nursery closures. In Wisbech (Cambridgeshire) 3,500 turned out to protest against the closure of a local hospital. In Hackney 2,000 marched against education and hospital cuts—80 per cent were on strike. In Chester two demonstrations of over 500 marched against the Tory County Council. In Lewisham 500, in Haringey 500, in Paisley 300, in Nottingham 8,500 firemen—the biggest ever FBU demonstration—in Sheffield 2,500 packed into an anti-cuts rally. For every demonstration there have been tens of meetings, petitions, street events, and lobbies—with Area Health Authorities in particular, the targets.

In the workplaces there have likewise been the beginnings of opposition on all levels. This varies from organisation for hospital occupations (South West Lon-

don), to the banning of overtime, of 'temporary promotions', and of flexibility in the parts of the civil service. In the Department of Social Security the rank and file of the CPSA have organised for the official policy with a determination that the officials could never have matched. In East London they achieved a notable victory against scabs determined to break the action around 'temporary promotions'. Token action, and then the threat of co-ordinated strikes in the Newham and Waltham Forest area soon forced management to knock the dissenting individuals into line. And importantly, in this case, official backing arrives, just as victory was confirmed.

The officials need to be associated with success—and hence the last-minute endorsement in the DHSS. Hence, too, the approval from CPSA and NUPE for the big Hackney demonstration in September, forthcoming when the offices and hospitals were already well on the way to organising stoppages.

But they are appallingly indecisive. It has been clear that teachers in Avon have been prepared to strike against the 406 redundancies the Tories threaten. Here too, the NUT executive has stalled, then eventually called a ballot, though this is not constitutionally necessary.

The officials may dither over token strikes and days of action. They are in complete disorder over the problem of the all-out strike, mass action aimed at a quick victory.

The case of Merseyside

A case study in official schizophrenia and duplicity comes from Merseyside:

Despite having been hit by waves of redundancies over the last two years—Leyland, Dunlop, Courtauld and many more—Merseyside has remained defiant. When the Department of Health and Social Security chose to suspend six—later seven—clerical officers, for implementing official policy against the cuts, they were clearly looking for an exemplary victory in a tough area.

Initially there was an overwhelming reaction, with stoppages at the office concerned—Breckfield—and a dozen other workplaces on Merseyside, including the usually cautious Ministry of Defence.

Then official policy began to take effect. The CPSA has a majority Broad Left executive. They have taken a formally correct stand on the cuts, whilst avoiding the sort of campaigning and defiant position which is necessary. The Broad Left supporters in Merseyside took their cue from the executive members (notably those connected with 'Militant'), who had determined that it was not yet 'the right time' to take on the Tories over civil service cuts. They backed off from a general confrontation in Liverpool, though the rank and file were obviously prepared to fight. At the Breckfield office this meant a refusal to call branch meetings and risk an all-out strike.



Firemen on Hackney Cuts Demo

At the nearby Kirkby dole office the members were neither so naive nor compliant. An overwhelming majority called for all-out strike action to defend members who were out of work for defending union policy. The Kirkby branch picketed and eventually occupied Breckfield office. Breckfield came out on strike, with the compromising local branch officials calling for a mass meeting of all Merseyside DHSS members the following day.

With 850 members in the Liverpool Stadium—an unprecedented event in itself, and only provoked by the determination of the Kirkby office—the executive member present, together with local 'Broad Left' officials acted in the best bureaucratic tradition. They argued to abandon all-out strike—despite having to admit that action to defend the suspended seven had formal executive approval. In so doing they employed every trick in the right-wing handbook, emphasising the weakness, disarray and isolation of the members. The vote for all-out action throughout the Merseyside offices was narrowly lost. (by 80 votes).

What is important about the Merseyside example is not only the gut reaction to the suspensions—a dozen offices on strike within hours—but that civil service offices *all over the country* were in fact prepared to discuss solidarity strikes. In Runcorn, 500 workers in the Department of Employment went further and came out in supportive strike action, and within forty-eight hours, twenty telegrams of support had arrived from CPSA branches.

The executive were simply not capable of leading or even responding to the action. The 'left' strategy was not merely pathetic, but positively destructive. It reflected the official TUC attitude that it is necessary to wait until the Spring for a Day of Action (with perhaps a parliamentary lobby) which will 'unite' the public sector unions. It reflected the overwhelming desire to *control* the action.

There will be many other similar examples. What is important to note from this one is that militant and decisive tactics came within an inch of producing a mass strike of national significance which would surely have resulted in a hasty management climbdown, to confirm the gains made in similar circumstances in the DHSS in East London. As it was, the suspended workers returned on management terms.

The 'Lefts'

What is also interesting was the performance of national and local lay officials associated with the Labour Left. Throughout the country the various lefts have been appearing prominently in cuts campaigns and committees. In Haringey Tony Benn, Ted Knight and Norman Atkinson spoke at a cuts rally, in South London the same Benn, Knight and Stuart Holland. Their messages have been similar—a commitment to the



'Red' Ted Knight

'alternative economic strategy', to the election of a Labour government, and, in the abstract, a fight against the Tories—will resolve the problem against the cuts.

The extension of these ideas into the unions — into for example the 'progressive' CPSA executive — and amongst the 'revolutionaries' inside the Labour Party — produces at best a bureaucratic and rhetorical opposition to the cuts. At worst it leads to a cynical obstruction of rank and file activity.

This does not mean that the official policies may not take a militant turn as rank and file pressure mounts. There are already signs, for example, that the CPSA may have learned from the Merseyside debacle, and that further suspensions will be met with at least a better-coordinated response.

Nor should official inertia or obstruction mean that we do not bend every effort to develop united opposition to the Tories. But we should be aware of the need for a strategy that points up the need for *action in the workplaces*. The fact that revolutionaries are for once swimming in a bigger stream should not mean that we fail to argue the case.

There are hundreds of committees and campaigns within which revolutionaries will be arguing for unity in action. They will constitute a useful testing ground for discovering just how far the 'action' is a part of the left reformist strategy.

We have already been given a few clues as to Left Labour's likely performance from events in Lambeth — ~~South~~ London. Here 'Red' Ted Knight has led his councillors in a dithering and vacillating progress towards a public opposition to the cuts. In fact they have no real heart for the fight, having voted overwhelmingly in the first place for implementation. But local pressures, through the Labour Party and from the rank and file of the council's employees in the unions resulted in an about-turn.

This produced the November 7th march on Parliament, which rallied trade unionists all over South London. It goes

to prove that however much we mistrust the Labour Party, the argument for *unity in action* is one we must put forward aggressively. The same might be said for Haringey, North London, where the council has transformed the cuts into 'savings', or from Wolverhampton where the declaration against any implementation of cuts has been followed by a deafening silence.

Arguing for Socialism

The fight against the cuts provides revolutionary socialists with an opportunity we have not had since the period of opposition to the Industrial Relations Act. There is a huge current of opposition to the Tories — the political nature of the cuts has made sure of that.

For every hospital worker who is not confident enough to take on the health cuts, there is one who is incensed by the Tory proposals for pay beds. Every teacher unwilling to take action over redundancies can be persuaded that government finance for private education means they cannot abstain.

And the political nature of the cuts is going to ensure that revolutionaries think hard and fast about how to win. Can hospital occupations work in isolation? How do we fight closure of whole sections in the civil service? How can we connect the struggle inside the office with that of the people on the other side of the counter? These are questions that Socialist Review will be taking up over the coming months.

The bitter experience of the fight under the Labour government was that the argument was always blurred. Under the Tories — who have of course borrowed and sharpened many of the Labour techniques — we are offered the challenge of arguing our alternative far more forcefully.

The Tories have set out to challenge the concept of need, of welfare, of the right to health and education. Because for them the cuts are part of the package deal with which they intend to crush the workers' movement, they cannot separate the attack on services from the attack on the unions, the right to picket, the closed shop.

Socialists can respond more firmly than ever before with a defiant argument about how we fight back, but we must also come forward far more confidently with the argument for socialist politics which five years of social democracy often made so difficult.

The audience is still a minority, but it is one which is growing with enormous speed.

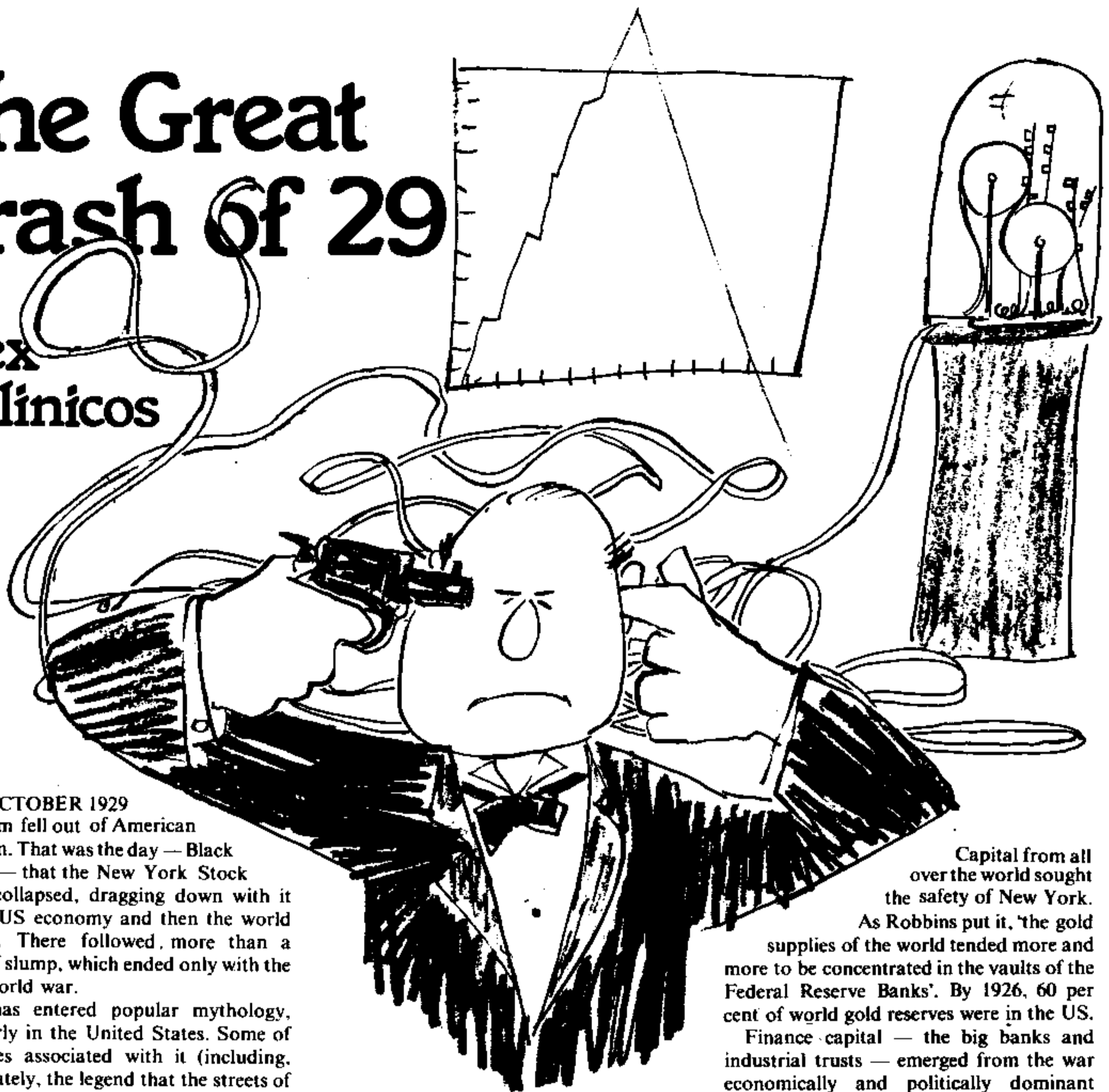
Dates for the diary:

Unity in action: South-East Region of the TUC/Labour Party National Demonstration and Lobby of Parliament against the cuts.

Wednesday 28th November. Liaison Committee for the Defence of Trade Unions; Conference Saturday 26th January.

The Great Crash of 29

Alex Callinicos



ON 29 OCTOBER 1929 the bottom fell out of American capitalism. That was the day — Black Tuesday — that the New York Stock Market collapsed, dragging down with it first the US economy and then the world economy. There followed, more than a decade of slump, which ended only with the second world war.

1929 has entered popular mythology, particularly in the United States. Some of the stories associated with it (including, unfortunately, the legend that the streets of New York were bombarded with the bodies of ruined millionaires flinging themselves out of skyscrapers) are untrue. But the image of 1929 has stuck firmly in people's minds as the ultimate economic catastrophe.

During the boom of the 1950s and 1960s it was popular to dismiss the idea that there could be another such collapse as absurd. Thanks to Keynes economic depression had become, we were told, impossible. Today such arguments carry much less weight.

As if to celebrate the fiftieth anniversary of the crash, Wall Street suffered what the *Economist* called 'its worst day for more than five years' on 9 October (also a Tuesday). The Dow Jones industrial average (the equivalent of the *Financial Times* index) fell 26.45 points. The next day 82 million shares changed hands — an all-time record.

Perhaps the idea of another crash is not quite so ridiculous after all. In this article I shall look at the causes of the 1929 crash, and its consequences, in order to weigh up the chances of a similar catastrophe.

American capitalism in the Jazz Age

The roots of the crash, and the great

depression which followed it, lay in the first world war and the drastic re-arrangement of relationships between the main capitalist countries which it involved. As the economist Lionel Robbins put it, writing in 1933, 'we live, not in the fourth, but in the 19th, year of the world crisis'.

The war reversed the relation between Europe and America. To Trotsky must go much of the credit for grasping the significance of this reversal:

'Before the war, America was Europe's debtor. The latter served as the principal factory and the principal depot for world commodities. Moreover Europe, above all England, was the central banker. All these leading roles now belong to the United States. Europe has been relegated to the background. The United States is the principal factory, the principal depot and the central bank of the world.'

The war drained the blood from Britain, hitherto the chief capitalist power. The war effort was financed by printing money and selling off foreign investments. The US, insulated from the main impact of the war, profited from it magnificently. American industry provided the combatants with goods.

Capital from all over the world sought the safety of New York.

As Robbins put it, 'the gold supplies of the world tended more and more to be concentrated in the vaults of the Federal Reserve Banks'. By 1926, 60 per cent of world gold reserves were in the US.

Finance capital — the big banks and industrial trusts — emerged from the war economically and politically dominant within the United States. Both Britain and France were heavily in its debt.

American loans were essential to shore up the shattered financial structure of European capitalism. This was especially so in the case of Germany, whose economy, shaken by war, defeat, revolution and hyper-inflation, burdened by the war reparations imposed by the victorious allies at the 1919 Versailles peace conference, was desperately short of capital.

These loans were part of a huge increase in US foreign investment after 1918. In 1900 America had \$500 million invested abroad (compared to \$20 billion's worth of British overseas investment). By 1913 US foreign investment had reached \$2½ billion. In 1932 it was nearly \$18 billion.

This drastically changed financial position was underpinned by the enormous superiority of American industry over its competitors. Trotsky gave the details in 1924:

'The United States produces one-fourth of the world grain crop; more than one-third of the oats; approximately three-fourths of the world corn crop; one-half of the world's coal output; about half of the world's iron ore; about 60 per cent of its pig iron; 60 per cent of the steel; 60 per cent of the copper; 47 per

cent of the zinc.

'American railways constitute 36 per cent of the world railway network; its merchant marine . . . now comprises more than 25 per cent of the world tonnage; and, finally, the number of automobiles operating in the trans-Atlantic republic amounts to 84.4 per cent of the world total! . . . These figures decide everything. They will cut a road for themselves on land, on sea, and in the air.'

And in the 1920s this massive industrial machine was booming. With interruptions (1920-22, 1924, 1926-7) the US economy expanded rapidly.

Growth was especially concentrated in those industries manufacturing consumer durables — radios, domestic appliances, cars. Output per worker in manufacturing industries rose by 43 per cent between 1919 and 1929. The index of industrial production went up from 67 in 1921 (1923-5=100) to 126 in July 1929. Unemployment fell to 0.9 per cent in 1929. And, as we shall see, stock market prices climbed to dizzy heights.

The pundits of the day claimed that capitalism had entered a 'new era', in which slumps had become a thing of the past. In June 1929 the financier Bernard Baruch told an interviewer that the 'economic condition of the world seems on the verge of a great forward movement'.

Prosperity and a booming stock market created in the United States among the middle classes, a unique sense of confidence and abandonment to the pursuit of pleasure. F. Scott Fitzgerald, whose novels captured the ephemeral brilliance of the 'Jazz Age', called it 'the most expensive orgy in history', 'the whole upper tenth of a nation living with the insouciance of grand dukes and the casualness of chorus girls'.

'We were the most powerful nation. Who could tell us any longer what was fashionable and what was fun?' Even J. K. Galbraith, a sceptical historian of the crash, could write: '1929 was the last year in which Americans were buoyant, uninhibited and utterly happy'.

The crash

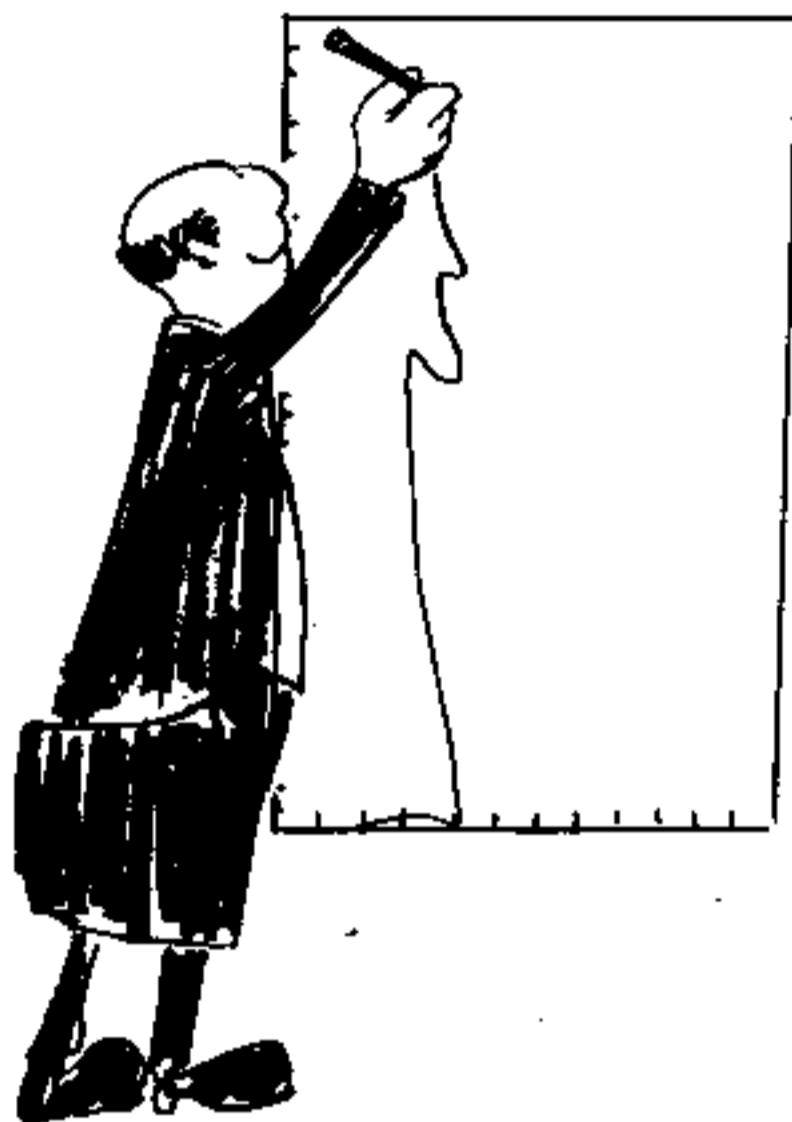
But the boom rested on foundations of sand. Although as we have seen, labour productivity rose sharply during the 1920s, wages and prices remained stable. In other words, profits alone benefitted from the increase in productivity: the share of capital in the national income rose. This encouraged a high rate of investment, principally in those industries producing plant and equipment. During the 1920s production of these capital goods increased at an annual rate of 6.4 per cent; by contrast, production of non-durable consumer goods rose by only 2.8 per cent.

In other words, the boom was top-heavy, concentrated in sectors producing, not for mass consumption, but for capital itself, expanding the already massive industrial apparatus of American capitalism as if it were an end in itself. The purchasing power of the mass of the population — workers and small farmers — remained as yet a limited market for goods. The top five per cent of household heads disposed of one

third of total consumer purchasing power.

Under these conditions, the boom could only be kept going through a constant infusion of capital into the industries producing plant and equipment, enabling them to expand their investments further. The source of this capital was the stock market.

Stock markets occupy a peculiar position within the capitalist economy. On the one hand, they are an important source of the funds necessary for investment in industry. As such, the stocks and shares purchased and sold represent claims to a portion of the surplus-value produced in industry. The dividend paid out to an investor is his share of the profits of that company, in exchange for the money he has advanced to that company when he bought his stocks. Ultimately, therefore, the stock market is



governed by the movements of the 'real economy' — the production and sale of commodities.

On the other hand, the stock market has a life of its own, determined by factors quite independent of industrial production. The rate of interest is one such factor — if it rises too high it will attract some investors away from the stock market because interest-bearing bonds have become a more attractive investment, while others will find it too expensive to borrow money with which to speculate on the stock market.

In 1927 the Federal Reserve Board (the American equivalent of the Bank of England) reduced its discount rate from 4 to 3.5 per cent, in order to discourage the flow of funds from Europe to America. According to Lionel Robbins, it was this cheap-money policy which fuelled the stock market boom:

'From that date, according to all the evidence, the situation got completely out of control. By 1928 the authorities were thoroughly frightened. But now the forces they had released were too strong for them. In vain they issued secret warnings. In vain they pushed up their own rate of discount. Velocity of circulation, the frenzied anticipation of speculators and company promoters, had now taken control.'

But cheap money alone cannot give rise to a stock-market boom. Crucial to such a state of affairs is the belief that share prices

will continue to rise. For this belief has a self-fulfilling dynamic: investors, expecting a rise in prices, will buy shares and the increased demand will push up prices. Those already holding stocks enjoy a capital gain as the value of these stocks increases with the rise in share prices.

The late 1920s saw a veritable orgy of stock-market speculation. Prices rose and rose and rose. Investment trusts sprang up overnight to organise complicated operations often involving buying their own shares to boost the price and thus attract other buyers. Many shares were held 'on margin' — in other words you didn't actually have to have the purchase price of a block of shares in order to buy them. Your broker bought them for you, you deposited them with him for security along with a certain amount of cash (the margin).

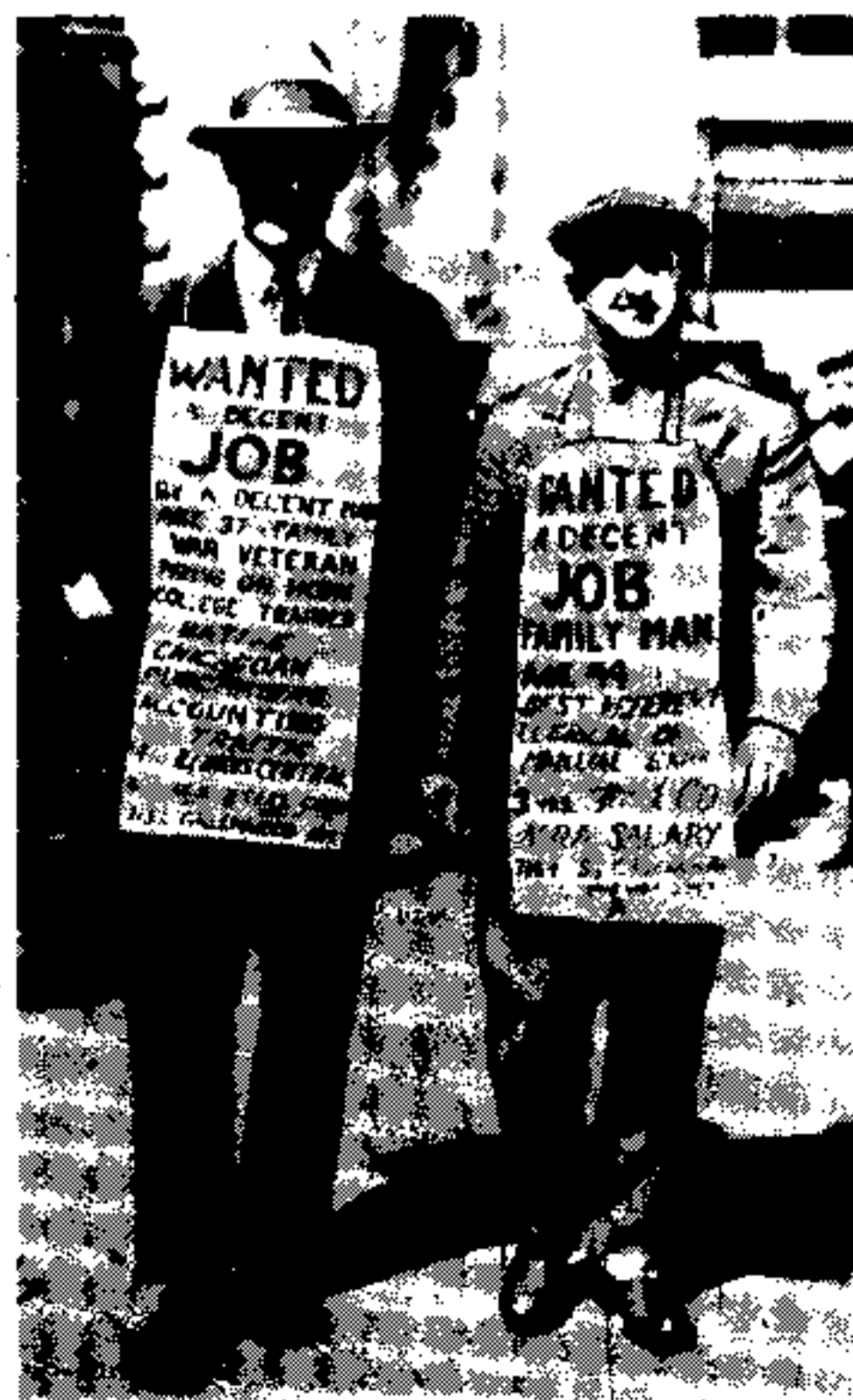
By the end of 1928 brokers' loans — loans secured by shares bought on margin — totalled \$6.4 billion. The generous interest rates on these loans (12 per cent at their height) sucked in money from all over the world. After June 1928 American foreign lending fell drastically: the returns on brokers' loans had become more attractive than those on any overseas investment.

The stock market seemed the ideal way to get rich quick. There was much talk of 'economic democracy'. One financier, John J. Raskob, published a scheme which would enable the poor man to increase his capital as quickly as the rich man. It was proclaimed a 'practical Utopia'. The only trouble was that the rich man had rather more capital to start with.

In reality, of course, it was the rich who got richer. Often this was through straightforward theft. There were, for example, the officers of the Union Industrial Bank of Flint, Michigan, who made off with \$3,592,000 of the bank's funds and invested in the New York call market — the market for broker's loans.

Galbraith tells their story:

'In the beginning this embezzlement was a



matter of individual initiative. Unknown to each other, a number of the bank's officers began making away with funds. Gradually they became aware of each other's activities, and since they could scarcely expose each other, they co-operated. The enterprise eventually embraced about a dozen people, including virtually all the principal officers of the bank.'

This was an extreme case perhaps. But then there was Charles Mitchell, chairman of the huge National City Bank. When the crash came he borrowed heavily from J. P. Morgan and Company to buy National City shares to prevent too drastic a fall in their price. This operation failed, and Mitchell was left with a huge debt to Morgan's, secured by his own holdings in National City stock. He then sold these holdings to his wife at a loss of \$2,872,305.50 without telling Morgan's, thus wiping out all his tax liabilities. When this transaction came to light he was prosecuted for tax fraud.

The boom, people believed, would never come to an end. The Dow Jones industrial average rose from 191 in early 1928 to a peak of 381 in September 1929. One economist, Irving Fisher, declared: 'Stock prices have reached what looks like a permanently high plateau.'

But even before prices fell from their 'plateau', the real economy was slowing down. Industrial production fell at an annual rate of 20 per cent between August and October 1929. One factor behind this was, surely, the credit squeeze imposed by an increasingly worried Federal Reserve Board. The Federal Reserve Bank of New York increased its re-discount rate to six per cent on 9 August.

The stock market ignored these warning signs. On 20 September it was, however, shaken by the news of the collapse of the empire of Clarence Hatry, a British con-man who made a fortune out of slot-machines.

It does not require any earth-shattering event to end a stock market boom. As Galbraith puts it, 'it is in the nature of a speculative boom that almost anything can collapse it. Any serious shock to confidence can cause sales by those speculators who have always hoped to get out before the final collapse, but after all possible gains from rising prices have been reached. Their pessimism will infect those simple souls who had thought the market might go up forever but who will now change their minds and sell.'

So it was in September and October 1929. Confidence seeped away, first gradually, and then, as panic gripped the Stock Exchange, catastrophically. As investors began to sell and prices to fall, brokers issued margin calls to their clients, demanding more cash as surety for their loans. This process encouraged further sales of stocks.

Two days are particularly identified with the crash. On 24 October 1929 — 'Black Thursday' — panic first really caught the market in its grip. The tide of selling was stemmed temporarily by 'organised support' — the big banks buying shares to prevent too drastic a fall in prices (for example, the activities of Charles Mitchell referred to above).



These activities only delayed the final disaster. 'Tuesday, 29 October,' writes Galbraith, 'was the most devastating in the history of the New York stock market.' 16,400,000 shares changed hands — a record for nearly 40 years. Persistent selling virtually wiped out the quoted value of many companies. By 13 November, the low-point of the year, the Dow Jones industrial average had fallen to 198.

Into slump

The collapse of the stock market was rapidly translated into general economic collapse. As we have seen, the industrial boom depended on the constant expansion of investment. Even the consumer durable industries depended heavily on credit, in the form of hire purchase. A major source of the funds necessary for the growth of investment was the stock market. Its collapse led to a general 'race for liquidity': those who had lent money now called in their loans. The fragile structure on which the boom had been founded collapsed.

Between 1929 and 1931 industrial production in the United States fell by 28 per cent. The number of unemployed rose in the same period from 429,000 to seven million, 16 per cent of the working population. The wages of those still in employment fell by 39 per cent. Prices fell by a little less (33 per cent) so real wages were pushed down.

American capitalism soon pulled down the rest of the world in its wake. The Wall Street crash forced American investors to recall their loans in Europe, especially Germany. The German economy was already slowing down before the crash, with nearly two million on the dole in the summer of 1929. Complete catastrophe was temporarily deferred, especially thanks to short-term loans from Britain.

The slump was worsened, however, by US policies. The fall in foreign lending particularly affected agricultural countries who were already suffering from falling prices in

their products before the slump. Now a vital life-line — American credit — was cut off. In 1930 the US Congress increased its tariffs upon imported goods (the Smoot-Hawley Act). The American market was firmly closed to outsiders.

Moreover, President Hoover and his advisers, after initial hesitations, adopted a policy of strict *laissez faire*. They believed that if they left the economy to its own devices it would, sooner or later, revive. In the short term, this meant drastic deflation—only through a series of bankruptcies and sackings could the economy right itself. So the administration balanced the budget, and refused to undertake public works designed to stimulate the economy. Their slogan as coined by treasury secretary Andrew Mellon was: 'Liquidate labour, liquidate stocks, liquidate the farmers, liquidate real estate'.

By 1933 this policy had come near to liquidating the American economy entirely. When Franklin Roosevelt replaced Hoover as President there were nearly 14 million

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unemployed in the US. All the banks in the country were closed to prevent people from withdrawing their deposits and thus destroying the financial system. Roosevelt's reaction was to take the dollar off the gold standard, permitting the value of the currency to fall and thus rendering American exports more competitive.

By this time Europe had caught up with America. The Austrian bank Kredit-Anstalt, which had accumulated a large number of bad debts, filed for bankruptcy on 6 May 1931. The close links between Austrian and German banks led the ensuing withdrawal of funds by foreign investors (especially the French, who wanted to sabotage plans for an Austro-German common market) rapidly to spread to Germany. Soon the attack shifted to London in the light of large-scale British lending to Germany.

Deflation spread across Europe. Heinrich Brüning, German chancellor from 1930, had already increased taxes and cut wages and public spending in an effort to satisfy his foreign creditors. By March 1931 there were 2.8 million more unemployed than there had been two years before.

The run on sterling in the summer of 1931 increased the demand that the British government adopt similar policies. The recommendation of the May committee that the budget be balanced by cutting unemployment insurance (which had risen sharply after 1929 with the increase in the jobless) lent further force to this demand.

In August 1931 the Labour prime minister, Ramsay MacDonald, formed a coalition government with the Tories and introduced a budget which raised taxes and cut spending. Panic reaction to the news that sailors at Invergorden had mutinied against pay reductions forced sterling off the gold standard and led to a sharp devaluation of the pound.

Depression brought in its wake a surge in nationalism. Individual states attempted to close themselves off from the rest of

world economy. The American example led to an upsurge in protectionism, as country after country imposed tighter import controls.

Nationalism was obviously greatly strengthened by the coming to power in Germany, in the wake of the slump, of the nazis. Hitler introduced drastic state controls on the economy and launched an ambitious rearmament programme in order to lay the basis for the vast expansion of German imperialism of which he dreamed.

But liberals and 'democrats' added great force to the nationalist revival. President Roosevelt single-handedly sabotaged the World Economic Conference of 1933 which was convened in the hope of stabilising currencies like the sterling and the dollar.

'The sound economic situation of a nation is a greater factor in its well-being than the price of its currency', he told the conference. In other words, he was not prepared to abandon the competitive advantage offered American exports by a cheaper dollar if that were the price of world economic recovery.

J. M. Keynes, often regarded as the unheeded prophet whose policies could have prevented, or ended, the great depression, gave his full backing to these nationalist sentiments. He wrote an article entitled 'President Roosevelt is magnificently right' and lent his support to import controls.

He wrote in justification: 'I sympathise, therefore, with those who would minimise, rather than those who would maximise, economic entanglement between nations. Ideas, knowledge, art, hospitality, travel—those are things which should of their nature be international. But let goods be home-spun whenever it is reasonably and conveniently possible; and, above all, let finance be primarily national'.

'Let goods be home-spun'. Such was the view, certainly, of the Tory-dominated National Government in Britain. From 1932 a policy of 'imperial preference' was adopted—ie imports from Britain's colonies and the 'Dominions' (Australia, Canada, etc) were encouraged and the rest kept out. In both Tory Britain and Democratic

America the state intervened to restrict output, encourage monopoly and keep prices high.

The effect of this combination of deflation and protectionism upon the world economy was devastating. Between January 1929 and March 1933 the value of world trade fell from 2.998 billion dollars to 999.2 million dollars.

Recovery had to wait upon war. Roosevelt's New Deal policies of public spending helped stimulate a revival in the American economy. Slight at first, the revival led to a sharp increase in prices and production in 1936-7. The relapse into slump was equally sharp, as a drastic fall in government expenditure coincided with a decision by companies to run down the stocks of finished goods they had accumulated during the boom.

Between September 1937 and May 1938 industrial output in the United States fell by 30 per cent while unemployment rose by 22 per cent. As Charles Kindleberger put it, 'the steepest economic descent in the history of the United States, which lost half the ground gained by many indexes since 1932, proved that the economic recovery in the United States had been built on illusion'.

The spread of economic nationalism meant, however, that the main capitalist economies no longer moved in phase with each other. To quote Kindleberger again, 'busy preparing for war, Europe and Japan suffered no more than a few sniffles' from the American recession of 1937-8.

The German and Japanese economies in particular, because of their rearmament programmes, continued to expand rapidly throughout the 1937-8 recession. British and American capitalism, however, returned to full employment only after the outbreak of the second world war.

Could it happen again?

Both the boom of the 1920s and the slump which followed it were made possible by the development of the credit system. We have seen how easy credit—both via the stock market and in the form of hire-purchase—





Howe: 30's solutions to 80's problems.

made the top-heavy expansion of American capitalism in the 1920s possible, and how US loans helped to prop up European capitalism.

Marx had shown many years before how credit makes the process of investment independent of the production and sale of commodities:

'Credit renders the reflux of the money form independent of the time of actual reflux both for the industrial capitalist and the merchant'.

Firms can expand investment and production where they do not possess the internal resources for doing so by borrowing the necessary money. They use the money lent to them to purchase plant and equipment from other firms, thus promoting their expansion. The workers employed by the firms concerned spend their wages on consumer goods, adding to the social demand for these commodities. Hire-purchase arrangements may enable them to borrow the money necessary to buy 'consumer durables' like cars.

Credit thus stimulates the overall growth of the economy. As such, Marx argued, 'the credit system appears as the main lever of over-production and over-speculation in commerce'. The expansion of credit naturally gives rise to speculation quite unrelated to production of the sort characteristic of the stock market boom in the late 1920s.

Swindlers and crooks crawl out of the wood-work and are able to make fortunes thanks to the prevailing conditions of easy money and confidence. But the castles erected on the basis of this sort of speculation prove to be houses of cards. A crash is inevitable, sooner or later.

'In a system of production where the entire continuity of the reproduction process rests upon credit, a crisis must obviously occur—a rush for the means of payment—when credit suddenly ceases and only cash payments have validity'. (Marx) Such was 'the rush for liquidity' in October 1929, as creditors called in their loans and brokers increased their margins.

Marx's rounded judgement of the credit system was, therefore, as follows:

'The credit system accelerates the material development of the productive forces and the establishment of the world market... At the same time credit accelerates the violent

eruption of... crises—and thereby the elements of disintegration of the old mode of production'.

If the slump of the 1930s was precipitated by the credit system, its length is to be explained both by the disintegration of the world economy, and by what John Strachey called 'the dilemma of profits or plenty'.

The restoration of the rate of profit required wage-cuts and cuts in government expenditure. Yet if this policy were pursued, as economists like Robbins proposed, demand for goods would be further depressed. The world economy stagnated on the horns of this dilemma. Only rearmament by guaranteeing profits on a 'cost-plus' basis and providing firms with a safe market offered profitable avenues for investment.

The world economy in the late 1970s and early 1980s presents in many ways a different picture. Prices have continued to rise during the recession, rather than falling, as was the case in the 1930s. At the same time, output and employment have not, as yet, fallen so drastically.

The principal reasons are two-fold. First, arms expenditure remains at historically very high levels and is, indeed, rising. This prevents production falling too drastically. Second, the very close integration of the state and big capital today means that large-scale bankruptcies tend to be prevented by government intervention.

At the same time the world monetary system is riddled with instability. Its most important source is the decline of American capitalism from the heights reached first in

the 1920s and then again following the second world war.

The weakened position of the American economy compared to its main competitors—notably Germany and Japan—underlies the decline of the dollar. Since the dollar is the world's main trading currency, and New York the chief financial centre, its gradual fall over the past two and a half years has sent ripples of fear throughout the rest of the world economy.

Huge American balances of payments deficits have pumped vast quantities of dollars into the world economy. Over \$400 billion is held outside the United States. The foreign holders of dollars have been led by its decline to move out of the currency. 'Diversification'—exchanging dollars for stronger currencies like the mark—helps to accelerate the decline of the dollar.

A further factor for instability is that many of the dollars held by interests outside the United States have been lent, via the American banks, to various third world countries. Worries about the dollar could mean an end to these loans, which have prevented economic collapse in many countries. And default by a major third world debtor—say, Brazil—could bring the New York banks down with it.

The *Economist* commented recently: 'There has to be fear that on some black Tuesday the flight from the dollar could take wings, including maybe a flight by Americans out of their own currency. Heaven knows what would happen to world liquidity then'.

Underlying the present recession is the low rate of return on capital throughout the main capitalist countries. As in the 1930s profitability is too low for capitalists to find it worth their while to invest.

Similar remedies are being touted. 'Monetarism', as practised by the Thatcher government, for example, is a modern version of deflation. Its effects are the same. The recent fall in Wall Street prices was occasioned by the decision of the Federal Reserve Board to impose a savage credit squeeze. Deeper recession is creeping throughout the western economies as interest rates are forced up and government spending cut in an effort to restore the rate of profit.

The alternative offered by the left is too often also an echo of remedies which failed in the 1930s. The import controls advocated by Labour left-wingers or eurocommunists would, if implemented, simply lead to a further contraction of the world economy and further stimulate economic nationalism, fragmenting instead of uniting the world working class.

In the 1930s it was nazi barbarism which profited from the failure of capitalism—and the failure of the workers' movement to provide an alternative. Barbarism in other guises lurks round the corner today—perhaps in the form of a renewed arms race, with the threat of nuclear holocaust contained therein.

The task of socialists today is great—to encourage the resistance to capitalist attacks in the here and now, while always recognising that only the world working class can offer a solution to the world crisis.



TROTSKY'S

ICON OR ICONOCLAST?

Pete Goodwin

Vladimir Ilyich Lenin was a shrewd guy. He began *State and Revolution* with the following remarks:

'During the lifetime of great revolutionaries, the oppressing classes constantly hounded them, received their theories with the most savage malice, the most furious hatred and the most unscrupulous campaigns of lies and slander. After their death, attempts are made to turn them into harmless icons, to canonise them, so to say, and to hallow their names to a certain extent for the 'consolation' of the oppressed classes and with the object of duping the latter, while at the same time robbing the revolutionary theory of its substance, blunting its revolutionary edge and vulgarising it'.

The Rebirth of Trotsky

Now at first sight Trotsky might seem to be an exception to this rule. The oppressing class which finds its centre in the Kremlin will, of course, greet the centenary of Trotsky's birth with stony silence.

But that should not blind us to the fact that in the West there are all the signs that, 39 years after his death, Trotsky is beginning to receive the classic treatment.

Let me give just one example, taken more or less at random. The blurb on the frontispiece of my copy of Trotsky's *History of the Russian Revolution* contains the following minor masterpiece:

'Represents an astonishing combination of dramatic narrative and searching analysis. The union of man of action and literary stylist, as well perhaps as a certain flamboyance of temperament and cocksureness in prediction, suggest the comparison with Winston Churchill . . .'

Times Literary Supplement.

My guess is Trotsky would have found his canonisation with Churchillian holy water particularly insulting.

The centenary of Trotsky's birth will no doubt provide the occasion for a deluge of similar stuff. The *Guardian Weekend* got in early on the act with an extract from Ronald Segal's new biography. (An extract which, incidentally, did not tempt me to read the rest). And by the time you read this review the 'man of tragedy' will have marched and countermarched through your Sunday breakfasts until you are sick of the sight of him. The game will be to spot what exactly was the fatal



arrogance? Westernised sensitivity? Or perhaps just ...Marxism.

But then what do you expect of the bourgeois media? Point taken — but with one very important qualification. They wouldn't have reacted in the same way 20 years ago. Then there wasn't the same pressing need to vulgarise Trotsky. They could just ignore him.

And that qualification should be born in mind when we turn to the people from whom we should expect rather more — our supposed Marxist intellectuals. There a similar process has taken place.

Trotsky Re-assessed

Eight years ago the bulk of 'Marxist' intellectuals in western Europe thought that revolutionary wisdom was to be found in the likes of Louis Althusser and Lin Piao (the latter, at least, professing to his dying day that Trotsky was a fascist agent — a category in which, ironically enough, his close comrades were shortly to include him.) Trotsky was an embarrassing footnote, an also-ran. Today, with many of their old idols just slightly tarnished, things are different.

Again, just one example. In 1974 the doyen of British 'Marxist' intellectuals, *New Left Review* editor Perry Anderson, wrote a little book on 'Western Marxism' (which, for the uninitiated, lumps together Marcuse, Althusser, Gramsci and so on). He concluded reflectively that, with the re-entry of the working class onto the stage of history after the French May events of 1968 then the theory and legacy of Trotsky was well worth another look.

Today this political theoretical heritage

any renaissance of revolutionary Marxism on an international scale.

The judgement was, Perry decided on second thoughts, a little too enthusiastic. And so a year or two later, when the book was published, he added an afterword tempering its 'apocalyptic tone'. Never mind, Trotsky had made it. He was now playing in the same division as Althusser and Poulantzas. What was it Lenin said? 'Hallowing their names ... while at the same time robbing the revolutionary theory of its substance ...



Now I don't want to be completely sour about this canonisation racket. It has had some very beneficial spin-offs. Not least of all in the publishing world. And with the centenary we get one of the best of them. A number of enterprising publishers have used the occasion to fill a gap in an expanding market and commission short assessments of Trotsky's work.

Two of those commissions apparently bear a rather different stamp from much of the rest of the centennial activities. For both are by authors who are revolutionary activists, who claim Trotsky's life to be a central and indispensable tool for revolutionary practice today: Duncan Hallas of our own SWP and Ernest Mandel of the Fourth International.

Both books are short (each something over a hundred pages). Both were, I am sure, written very rapidly to order. But neither of them are any the worse for that. (To be frank I doubt whether we would have got them at all unless the publishers had set a tight deadline.) Both are polished and readable.

Wisely, neither makes an attempt at a biography. Both authors have too much respect (and in neither case is it an uncritical one) for Isaac Deutscher's trilogy for that. Instead, quite correctly, what both books try and do is to present a summary of Trotsky's key ideas and suggest their relevance for revolutionaries today.

And that is where the difference between the two books starts. Because, of course, the authors have certain well known political differences. So far as the letter of certain of Trotsky's central ideas is concerned (most famously over the nature of the Soviet Union) Hallas is a self proclaimed 'revisionist'. Mandel, on the other hand, sees himself as impec-

cably 'orthodox', standing firmly on the ground of Trotsky's dying injunction—'I am confident in the victory of the Fourth International, go forward'.

Do these differences seriously affect their books? Do they lead either of them to hallow the *name* rather than the *substance* of the thought of — what both are agreed — was one of the two great revolutionaries of the century?

A Revisionist View of Trotsky?

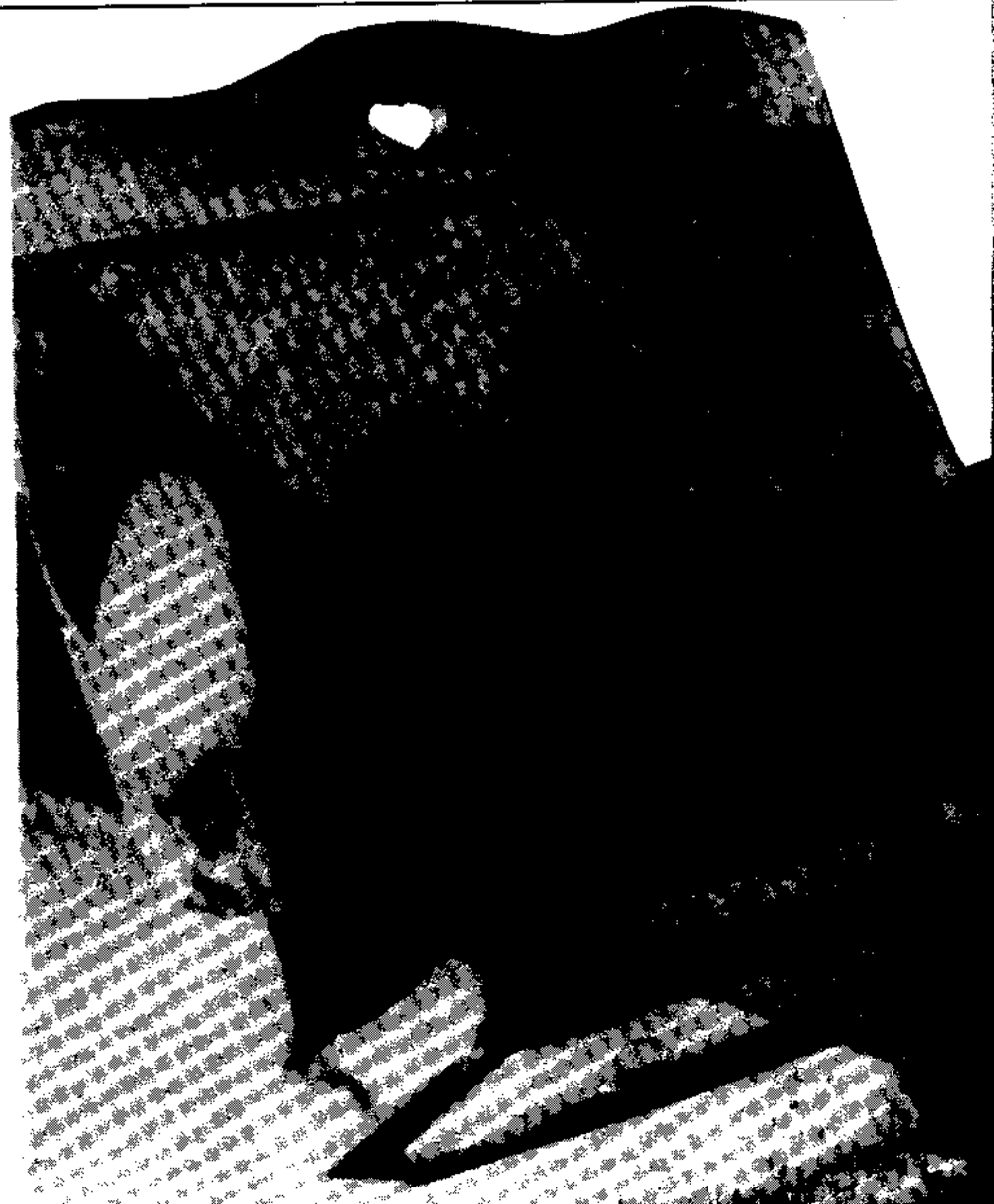
Hallas first. In Trotsky's Marxism, he solves the problem of how to present and order the central themes of Trotsky's thought with masterly economy: just four chapters.

First, the theory of permanent revolution. He sets down the three main contending views before 1917 on the nature of the coming Russian revolution, and, by extension, of revolution in other underdeveloped countries. The Mensheviks, that the revolution would be bourgeois and would therefore be led by the bourgeoisie. The bolsheviks, that the revolution would be bourgeois, but that the bourgeoisie was too weak and compromised to carry it through and therefore that task would fall to the revolutionary dictatorship of proletariat

and peasantry. And Trotsky's theory, that leadership of the revolution would fall to the proletariat, which could not limit itself to the confines of the bourgeois revolution.

Hallas shows how the course of the Russian revolution brilliantly vindicated Trotsky when Lenin in effect, although not in words, adopted the Permanent Revolution perspective and abandoned the democratic dictatorship without ceremony, and how it was 'strikingly confirmed again — in a negative sense' in China in the 1920s when Stalin subordinated the vigorous working class movement to the bourgeoisie and thereby gave imperialist domination of China another lease of life.

And he concludes with the observation that should strike any thinking reader of his exposition, but as we shall see is so often evaded, that 'In the second half of this century a series of revolutions have occurred, from Angola through to Cuba and Vietnam to Zanzibar, which were certainly not proletarian revolutions and were certainly not bourgeois revolutions in the classic sense. Trotsky did not foresee such a development, nor did anyone else at the time. The theory of permanent revolution, decisively confirmed in the first half of this century, must obviously be reconsidered in the



light of these later developments'.

Second, Stalinism. As Hallas says Trotsky made the first *sustained* historical materialist analysis of Stalinism—of the actual outcome of the Russian revolution. Whatever criticisms can be made of it ... it has been the starting point for all subsequent serious analysis from a Marxist point of view.'

Following Trotsky Hallas explains how a bureaucracy grew out of the devastation wrought on Russia and its working class by isolation and civil war. He examines Trotsky's development of the concept (derived from Lenin) of a bureaucratically deformed or degenerated workers state: how Trotsky responded to such events as the turn to industrialisation and collectivisation in 1928, how in 1933 he shifted his perspective (and definition of a degenerated workers state) from one of the possibility of *reform* to one of the necessity of the revolutionary overthrow of the bureaucracy, and Trotsky's prognosis, in his last years, on the likely fate of the bureaucracy, including his view that from one of its wings 'we can expect ever more determined attempts to revise the socialist character of the USSR and bring it closer to the pattern of 'Western civilisation' in its fascist form'.

Hallas presents Trotsky's views with a wealth of quotation as they were developed in response to the development of living social forces. Where he thinks Trotsky was wrong (for example on the question of 'restorationist tendencies in the bureaucracy') he says so. But he never belittles his analyses. It is however difficult to read the material from Trotsky that Hallas gives (and it is not unrepresentative or out of context) and not share his conclusion that the struggle of living social forces in Russia and upon it 'had already developed in such a way as to strain Trotsky's analysis to the very limits in the last years before his death'.

Third, strategy and tactics. Hallas' judgement is that in the field of 'the strategy and tactics of mass revolutionary parties in a wide variety of situations ... Trotsky's contribution was not inferior to that of Marx or Lenin'. He demonstrated that above all in his relation to the Comunist International, as one of its two outstanding thinkers during its first five years, and as its outstanding critic during its

subsequent decline.

The continuity between the two is elegantly demonstrated by Hallas. His chapter takes us in only 30 pages through the real material out of which the Comintern was made, through Trotsky's (and Lenin's) comments on



centrism, ultra-leftism and the United Front, as fresh today as nearly 60 years ago to Trotsky's devastating and prescient critiques of the Stalinist Comintern's criminal 'leftism' in the face of fascism in Germany and equally criminal rightism (of the Popular Front variety) in the face of its rise in Spain.

As Hallas concludes, 'The issues... are not only of historical but also of immediate practical interest. Trotsky's writings on strategy and tactics in relation to these great questions are a veritable treasure house. It can be said without any exaggeration that no one else since 1923 has produced work that even approaches their profundity and brilliance. They are literally indispensable to revolutionaries today'.

Fourth, party and class. From the time that he joined the Bolshevik Party onwards Trotsky was an uncompromising advocate of the necessity of a mass revolutionary workers party, but he spent the last years of his life working with desperately small groups. Hallas traces the development of his views of the relationship between party and class.

He briefly examines Trotsky's pre-Bolshevik views and concludes that whatever their justifications they were shown to be 'clearly untenable by the course of events'. He then outlines the richness of Trotsky's thinking on the subject during the period when he was directly involved in the leadership of mass parties or still hopeful of their recovery from bureaucratic deformation. And finally he traces Trotsky's attempts to begin anew after he became convinced that the communist parties had irretrievably degenerated.

Again Hallas in no way belittles Trotsky's activities including 'the launching of an 'International' without a significant base in any workers' movement'. But he does point to the various ways in which Trotsky departed from his previous thinking on the relationship between party and class once Stalinism and counter-revolution in practice cut the thread between them. As he says on the elements of near-messianism which he detects in some of Trotsky's later statements, 'Perhaps it would have been impossible to hold his followers together without something of this outlook which, if so, was therefore a necessary deviation from his mature view. But its later costs were none the less real'.

It is these costs to which Hallas turns his attention in his concluding chapter, 'The Heritage'. These, and the costs of the question marks he left hovering at the end of his chapters on permanent revolution and Stalinism.

Again he does not belittle. There are many (including Deutscher) who find Trotsky's last years, so filled with apparently petty squabbles among small groups, demeaning of his greatness. Not Hallas: 'when Trotsky was murdered in August 1940 by Stalin's agent Jackson-Mercador he did leave behind him a movement. Whatever the frailties and

failings of that movement, and they were manifold, it was a tremendous achievement... The little fourth internationalist current that survived these glacial conditions under Trotsky's inspiration and guidance, was politically scarred by the experience to a greater extent than was immediately apparent. It was subsequently to undergo further mutations. Nevertheless, it was the *only* genuinely communist current of any significance to survive the ice age'.

But scars there were and mutations to follow. Hallas outlines Trotsky's cataclysmic world-outlook of 1938-40, with regard both to capitalism and Stalinism. Both of which were to be falsified in the post war period. Stalinism, moreover, was expanded into Eastern Europe and to solve most of the tasks of the bourgeois revolution in China. Hallas does Trotsky the justice of taking his specific prognoses for what they were, and shows the consequences for his followers when they attempted to hold to them in a world in which events had turned out differently.

For a few years they blinded themselves to the new reality and condemned any deviation from the '1938 groove' as revisionism. Then, when they could blind themselves no longer to reality they

adapted to it or at least Stalinism and third worldism. This in turn led them away from sustained and single-minded concentration on recreating a revolutionary current in the industrial working class.' And this was, after all, the essence of Trotsky's work to his dying day. Beside it his specific errors of analysis and prediction, paled into insignificance. Only 'codified' in a changed world did they take on the importance which Hallas quite correctly gives them.

Duncan Hallas has produced an excellent little book. To long-time readers of the SWP's (and our predecessors) publications, much of its material will be familiar. But here it is in total, for the first time, and, I'll say it again, presented in a masterly way. In my opinion the chapter on 'party and class' goes beyond simply masterly representation and significantly advances the analysis.

This is a book which should be essential reading for all *Socialist Review* readers and hopefully the subject of serious attention and discussion way beyond. Above all, it is a book which presents the *substance* of a great revolutionary's thought, and in its 'revisions' develops that substance for revolutionary practice today.



Members of the Left Opposition on their way to exile in 1928.

An Orthodox View of Trotsky?

What of Mandel? At first glance *Trotsky: A Study in the Dynamic of His Thought* seems to belie the picture of Trotsky's 'orthodox' followers presented by Hallas on his last page. Mandel is certainly not 'stuck in the 1938 groove' and if there are any succumbings to the gravitational pull of Stalinism and third worldism in the book then they don't scream out at the reader.

But even at first a couple of suspicions come to mind. First of all Mandel not only organises his material differently from Hallas (that's fair enough, though to my taste, Hallas's structure is far better) he also casts his net wider. Again that

would be reasonable enough (after all he has a bit more space). In one case, a specific chapter on fascism, then Trotsky's unique contribution may well merit it. But in the case of the other additional material I am dubious.

There's a chapter on workers councils which is justified by Trotsky's note of the significance of the Soviet during the 1905 revolution. Even so far as 1905 is concerned I am doubtful whether Trotsky was in advance of Lenin in recognising the significance of Soviets. In any case they did not figure in Trotsky's ideas again until 1917. And in recognising their significance then Trotsky was certainly no further advanced than Lenin. There is a chapter on 'socialism'

which is quite empty, and a chapter on 'Against Imperialism' on which subject Trotsky made no unique contribution apart from his theory of permanent revolution.

A quibble? Perhaps, but I get the impression that in casting the net wider Mandel is diluting the issue of Trotsky's *specific* contribution to the revolutionary heritage. And the impression is reinforced by another difference with Hallas' book: Mandel quotes very little. Again, in principle fair enough. But it leaves me with the uneasy feeling that in reality this book is less Mandel on Trotsky than Mandel on Mandel.

Perhaps I have a suspicious mind where Mandel is concerned. Well, what were suspicions at first glance are amply borne out by a more careful reading, especially a reading in the light of what Hallas has to say.

Let's just look at a few illustrations of the way Mandel treats—or doesn't treat—the areas of controversy.

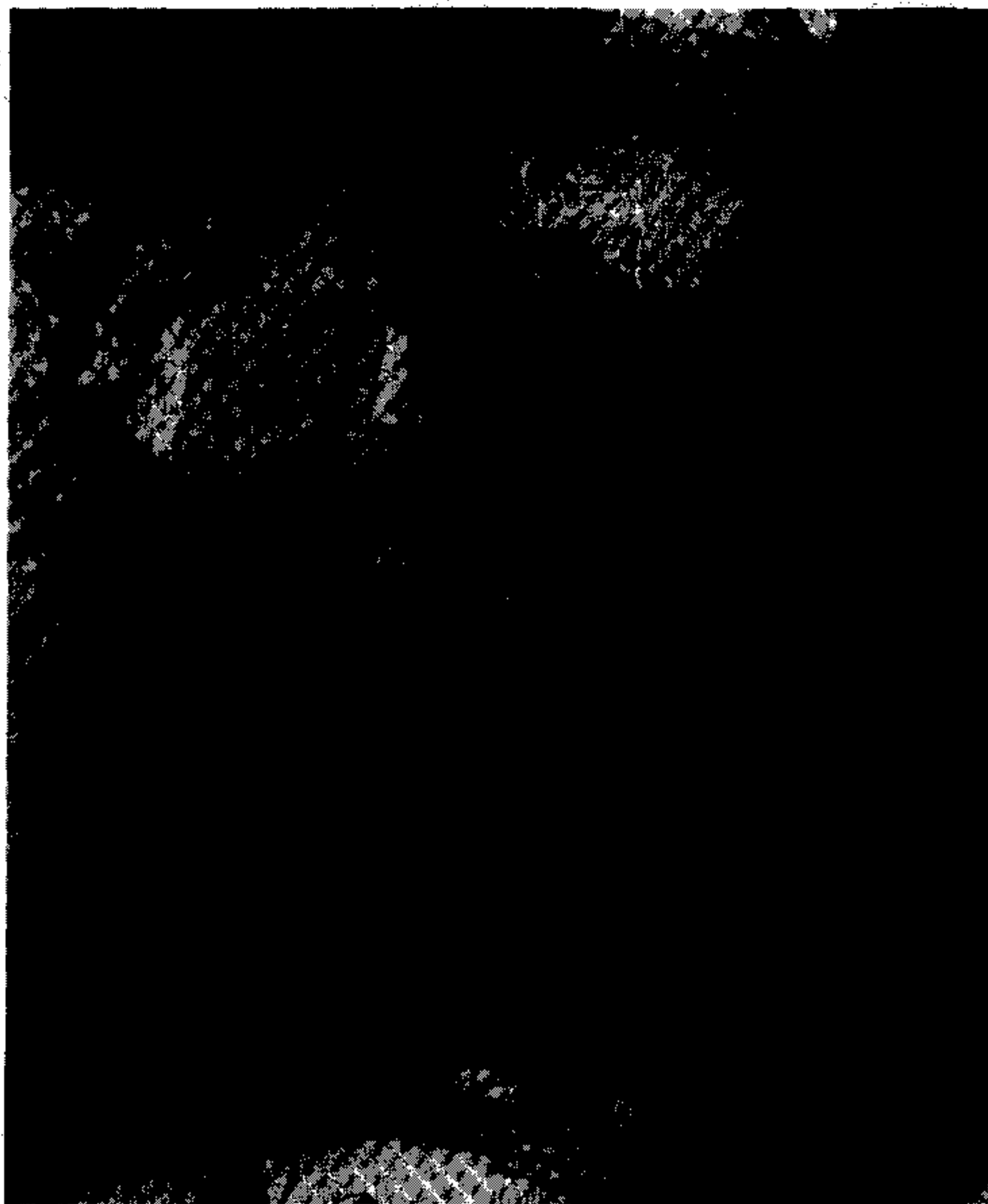
First, the '1938 groove'. Mandel certainly isn't stuck in it. The trouble is he scarcely acknowledges its existence. Where he does he immediately wriggles out of it. For instance Mandel explicitly takes to task Trotsky's famous statement at the beginning of the 1938 Transitional Programme that there was an absolute decline in the productive forces. But then comes the wriggle 'in his report to the Third Comintern Congress in 1921 and his Critique of the Comintern Programme of 1928, Trotsky states his position in a more rounded and correct way'. End of argument for Mandel.

But note the sleight of hand. Mandel would have us believe there's one Trotsky 'position' which just happened to be put in a correct and rounded way in 1921 and 1928, and just happened to be put wrongly in 1938. So, hey presto, the '1938 groove' has disappeared, and with it the rather disorienting experience after the war when the bulk of the Trotskyist movement (not least of which was Mandel) got stuck in it.

Next Stalinism. Mandel's chapter under this name is a strange one for a book which claims to be a *study of the dynamic* of Trotsky's thought. You would never guess from it for instance that he fundamentally changed his definition of a degenerated workers state when he abandoned his reformist perspective for the Soviet Union in 1933, or that he saw those who wanted to restore private capitalism as a key faction in the Stalinist bureaucracy.

And in another chapter he refers to Trotsky erring 'on the minor point' that the stalinist regime would not survive the war, and, with astounding glibness he adds 'strangely enough, because his general analysis made it quite possible to avoid the error'. This really is Mandel on Mandel. It is not a serious exposition of Trotsky's views on the subject.

Lastly, third worldism. Mandel spends three chapters expounding Trotsky's theory of permanent revolution. He makes it abundantly clear (he even



Trotsky with his lawyer Albert Goldman in Mexico City 1937

italicizes the expression) that the theory is about revolutions being conducted *under working class leadership*. He concludes with a list of revolutionary upheavals in the twentieth century followed by the comment 'Can there be any doubt that world revolution is a basic reality of our century, that we are living in the age of permanent revolution?' As Mandel's list includes 'China 1947-49, Algeria 1954-62 ... Mozambique 1973-75 etc.' where revolutions were patently not carried out under working class leadership, that strikes me as a singularly glib trivialisation of the theory of permanent revolution.

But there is worse to come in the chapter 'Against Imperialism'. He devotes some space to showing that Trotsky did not make his support for movements against imperialism conditional on their being under proletarian leadership (which is true). But then Mandel goes overboard: 'In what is effectively his political testament, the Manifesto of the Emergency Conference of the Fourth International written in May-June 1940 he (Trotsky) did not hesitate to call upon the Chinese workers and peasants to develop a real 'people's war' against Japanese imperialism under their independent class leadership. 'Independent class leadership' of

workers and peasants??!! Was Trotsky suffering from senile decay? Happily not. For if you bother to look up the reference what the Old Man actually said was: 'This war, now nearing its third anniversary, might long since have been finished by a real catastrophe for Japan, if China had conducted it as a genuine people's war based on an agrarian revolution and setting the Japanese soldiery aflame with its blaze.' And then, three sentences later, 'The Chinese people will be able to reach independence *only under the leadership of the youthful and self-sacrificing proletariat*, in whom the indispensable self confidence will be rekindled by the rebirth of the world revolution'.

A careless slip on the typewriter keyboard? Hardly, from so accomplished a polemicist as Mandel, and one who has been quoting *Permanent Revolution* for 40 years. No, it's symptomatic of the whole book, a book which for all its superficial plausibility would be better entitled *Trotsky with the Sharp Ends Removed: A Cosy Presentation for Eclectics*.

That the world's best-known living representative of 'Trotskyism' can produce such a work is all the more reason why Duncan Hallas' book is so timely and vital.

Workers Plans & t

'I DON'T THINK we should be producing bleeding sports cars that nobody can afford anyway. That plant could produce something useful' commented a British Leyland worker at Speke after the announcement of the plant making TR7 sports cars.

Suppose you had been working at this plant and one of your workmates had said this at a meeting on how to fight redundancies, held in say, 1974, when redundancies were in the air, but when the axe had not actually fallen. What would have been your response? Would it have been: A nice idea, but impossible under capitalism. See me after the meeting to join a party that is fighting for socialism. And in the meantime, we must just say 'no' to redundancies. Fight for the right to work, that must be our slogan, pure and simple.

Don't start making demands about products, prices, investment or any of that sort of thing. That's management's responsibility. We mustn't waste our time on that. We've got enough on our hands trying to build a strong rank-and-file organisation in this factory and throughout British Leyland.

Or would you say 'Yes, you've got a point there. What sort of thing should we fight to produce? What sort of transport facilities are needed that this company doesn't bother with because the profits aren't high enough or quick enough? Could we fight to control the price, or get the government local authority to buy, subsidise the buyers of them? What about improved invalid cars? The ones they use at the moment are lethal. What about a low pollution engined car. Or a long lasting cheap car that people can afford? The lads at Lucas Aerospace are fighting to get their company to produce a power pack for that sort of car. We could link up with them to produce the body. It would strengthen both our struggles.

We need short term demands as well though, like work sharing on the TR7 with no loss of pay, or work-sharing with other parts of BL. But I think we'd be able to build a stronger fight if members thought they had more of a future to fight for. Also, I think we'd get more support from the other plants: because we'd be challenging managements' basic criteria and that way they won't be able to play one plant off against another. Canley against Speke. We'd get wider political and community support too. People would see more easily how wasteful and unnecessary redundancies are.

It would be *management* who would be shown up as irresponsible. And we'd be seen to be fighting in the wider social interest. I think we'd be more likely to get support for militant tactics, if we had a positive plan, based on *our* needs. It would act as a rallying point. Sure, we would not be able to win everything without social ownership and a revolution. But if we fight for our own plans,

Hilary Wainwright

people will see better what a revolution is for'.

The current SWP response to Alternative Production

'Any SWP member who takes the theoretical writings of party journals seriously would tend to make the first response. If they had read recent ISJs they would be even harder on the worker who had made the initial remark 'You watch it, mate' they'd say 'if you go much further with that sort of idea and get involved in drawing alternative plans for socially useful production, you might end up sharing a nobel prize with murderers like Kissinger certainly you'll end up in a dead end with Tony Benn and the rest of the Labour left'. (See Dave Albury's article in the latest issue of *International Socialism*).



In all that they have written, the SWP has so far judged the idea of fighting for workers' plans for socially useful production to be a dangerous diversion from building a rank-and-file workers' movement. Their main reason seems to be that reformists have incorporated the idea into their programmes, either as part of their idea of government planning agreements or even, in Sweden and Denmark, in exchange for wage control.

Apart from anything else, this condemnation by association should never be convincing to revolutionaries. *Any* demand (eg the right to work, the demands of the ANL, of the women's movement, for a shorter working week) which shows signs of life within the workers' movement is going to be supported by all sorts of quite reactionary as well as reformist groupings for all sorts of dubious reasons which we as revolutionaries would not share. Reformism is after all the dominant ideology in the labour movement: any demand which takes off beyond the ghetto of revolutionary purism is bound to gain supporters who are to some extent influenced by reformism.

We create a self-fulfilling prophecy if we

sit muttering on the sidelines thereby leaving the demand to the reformists, rather than getting enthusiastically involved to draw out its revolutionary potential, to use every opportunity it offers to build stronger and more political workers, organisations. The ANL, for example would never have existed if the SWP had accepted the arguments by association of the more sectarian groups who attacked it because it was supported by social democrats, Liberals, Tories even. On workers' plans the SWP seems to have fallen back into the ghetto.

Is there then any revolutionary potential in the sort of plan for socially useful production drawn up by the workers in Lucas Aerospace or the plan for social ownership, planned CEBB ordering and alternative energy sources (to nuclear power) drawn up by workers in the power engineering industry? (NEI, Parsons and parts of GEC).

The Revolutionary Potential of Alternative Production

This can be answered best if we bear in mind two vital features of the present situation: on the one hand the depth of the recession in capitalist markets and on the other the failure of Labour's nationalisation measures to confront the anarchy of capitalist production.

When redundancies were largely a result of managements' cost cutting exercises during minor downturns in demand, it was normally enough for a strong shopfloor leadership to argue that orders would soon be coming in again, that until that time the boss could afford to pay full wages for less work and on this basis to impose a veto on all redundancies.

Now that the recession is more serious, the argument and the struggle for jobs has to take on more than management's cost-cutting, if there is to be any chance of building the sort of organisation which could win. More often than not they have to take on aspects of the market, in particular the fact that demand slumps even when social needs go unmet that supposedly 'redundant' workers and resources could meet. They have to confront the priorities of government spending and taxing. They have to challenge the criteria of management's investment decisions.

In other words many shop floor organisations, especially in the big corporations have found that in the face of closures and redundancies the muscle they exerted over economic, plant issues was not enough. A few have recognised the need to use that muscle to fight on political issues. Issues which traditionally, in the division between politics and trade unionism which typify the labour movement in Britain, are normally treated as the Labour Party's responsibility.

the SWP

During the last major recession in the 1930s for example, most trade unionists assumed that only a Labour government could provide any sort of solution to the failures of the capitalist market and private investment. In those years shop floor organisation was too weak for industrial action over these issues to provide a credible strategy. And anyway Labour's nationalisation measures had not been tried and tested. They were still the symbol of socialist advance.

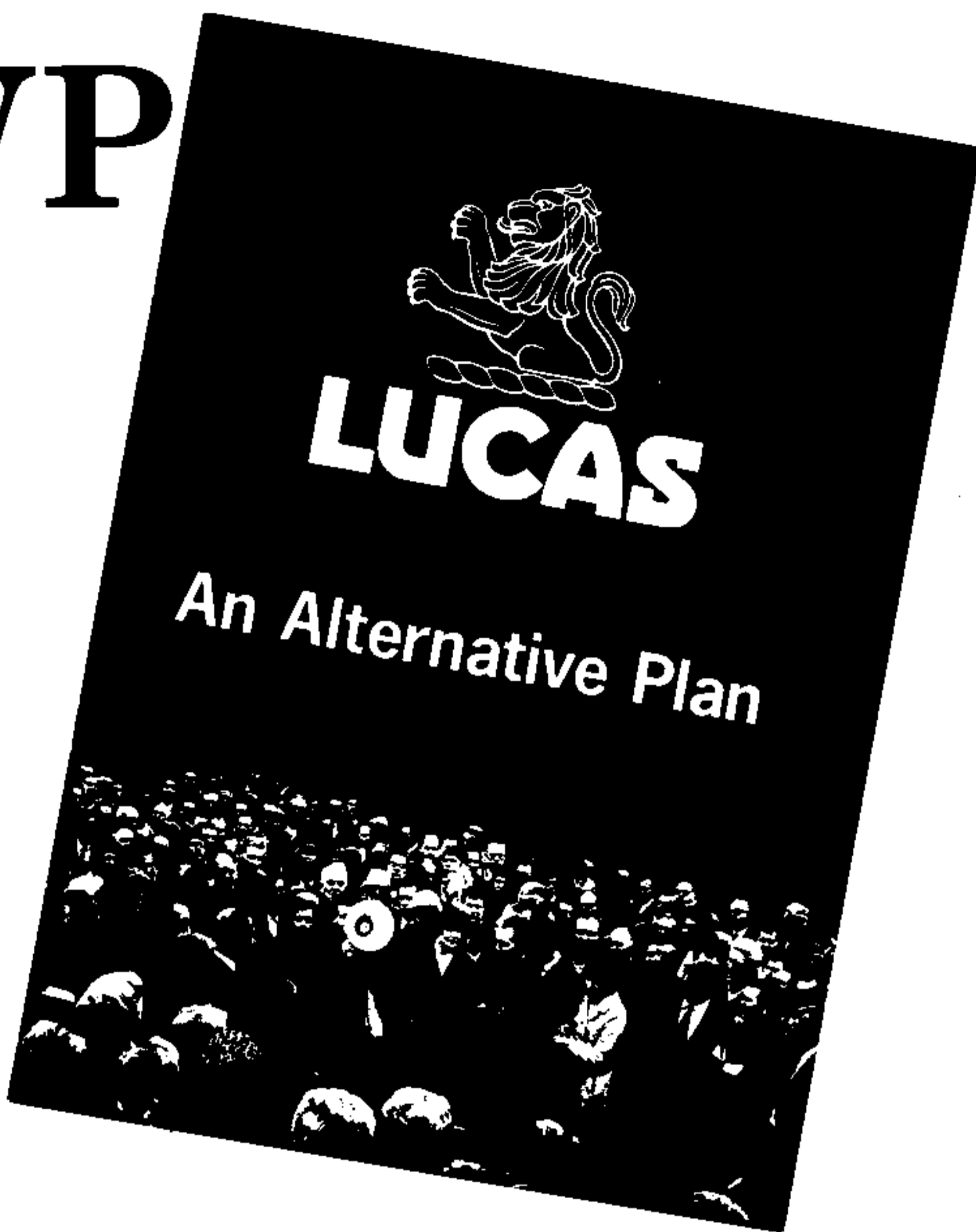
By contrast the shop floor organisations which faced the present recession were very much more confident in their own industrial strength to take on whatever problems their members faced. Moreover the experience of three Labour governments and the rundown of most of the nationalised industries did not inspire much faith in parliamentary procedures.

The development of an alternative strategy however does not unfortunately arise from a simple combustion of these two factors, it also needs political ideas and leadership. The last five years is littered with strong shop floor committees divided and demoralised, in the face of closures and redundancies: British Leyland, Thorns, Singers, British Shipbuilding, to name a few.



Experience of Alternative Production

But by contrast in Lucas Aerospace and in sections of the power engineering industry (mainly C A Parsons and GEC Old Trafford) combine and plant committees uniting shop floor with office workers have given a lead, in different ways, towards a new sort of political trade unionism. Both have faced and so far held off major rationalisation plans which would otherwise have put thousands on the dole. In Lucas Aerospace the company's plans announced in March 1978 for up to 2,000 redundancies including factory closures in Liverpool and Bradford have so far been stopped. (Though the Confed. allowed management to close the 30 man foundry in Coventry and to move 40 researchers at Shipley to the Bradford site.) In power engineering the workers at NEI Parsons won the Drax B order against both Weinstock and the Government.



And so far with support from workers in GEC they have blocked the rationalisations—including a merger with GEC—which the last government was pushing for. Vital to both these (relative) successes is rank-and-file organisation around a plan for the industry, drawn up by the workers' committees according to working class needs. In both cases these plans assumed the need for workers' industrial organisation to campaign and bargain over investment, over product and technology, over government spending and ordering, and, more so in the case of power engineering than in Lucas Aerospace, over the ownership of the industry.

Extending the Rank and File Struggle

The first point to be drawn from these experiences is that workers' plans, which allow no compromises with management notions of viability, and which are backed by strong and democratic industrial organisations *can save jobs*. And this is in spite of the hesitations and compromises of the trade union leadership. But though jobs were saved the workers' own plans were nowhere near implemented. That would require a far wider political-industrial strength of workers' organisations than exists at present. Rather, the plans provided *the argument and the unifying force*

necessary to build up the strength to defeat management's plans.

A second feature of workers' plans based on social need is the sort of extension of trade union organisation which they stimulate and require. Because they are based on the employment needs of the working people rather than management's needs to be in a superior competitive position, workers plans cannot be limited to company-wide organisation.

If workers in say Lucas were simply to make proposals without reference to the workers in the rest of aerospace or in other industries for which alternatives were being suggested, they would simply be reinforcing capitalist competition.





Similarly in power engineering if the proposals of workers at NEI Parsons were made in isolation from workers in the rest of the industry they could well degenerate into super-suggestion schemes for management.

From the start workers in both cases have to varying degrees been organised with or in regular contact with workers' representatives elsewhere in the industries concerned. There is still a long way to go as far as such industry wide contact is concerned. But at least there is a recognition of its importance. For example on 17 November both the NEI Parsons corporate committee and the Lucas Aerospace combine committee are sponsoring an industry based conference on workers' plans.

A further less developed, but very important extension of rank and file organisation stimulated by workers' plans involve links with those at the consuming end of the proposed plans. For example, the ideas of workers in the power engineering industry include alternative energy sources to nuclear power and to traditional power stations. In order to build up political support on these issues the workers' representatives are in contact with parts of the anti-nuclear movement and with tenants' groups fighting against high heating costs.

Similar contacts have been made by the Lucas Aerospace shop stewards with workers in the health service and in the car industry, both sectors connected with the sort of products proposed in the alternative plan.

None of these extensions of rank-and-file organisation across industries, between private sector and public sector workers, between trade unionists and campaigning movements like the anti-nuclear movement, are substitutes for the alliances which will develop against the cuts, anti-union legislation and in support of wage struggles. Already there are examples of contact around alternative plans and solidarity on more traditional issues strengthening each other. During the engineers' strike workers at Lucas Aerospace were among the most militant in support of workers locked out of Rolls Royce, also part of the aerospace industry (with whom they were already in contact over plans for the industry).

At Burnley the Lucas worker blacked all Rolls Royce work, and were consequently locked out themselves. The Lucas Aerospace combine committee supported this stand and extended it to other plants. Lucas Aerospace workers jointly with workers from Rolls Royce picketed the AUEW headquarters, and if the strike had continued were planning joint flying pickets

to get Rolls Royce engines blacked at Heathrow airport. Far from workers' plans diverting workers from building a strong rank-and-file movement, they can help to overcome the introverted company loyalties which management encourage, especially in periods of crisis.

These are some of the reasons why revolutionaries should be actively encouraging workers in all sectors to draw up, in contact with each other, plans based on working class needs. *This positive support for the idea must be our starting point.* Then we must come to the problems, for as soon as workers challenge the most unassailable of management prerogatives, investment, product and price control, problems are bound to appear.

Fighting for the Right Alternative

Perhaps the first one concerns the way that the idea of alternative plans can be drained of political content. Like a vast game of Chinese whispers the idea has passed from militant, politically conscious groups of workers through MPs, the *Guardian*, liberal academics, union officials and back to other workers, like those at Singer, or in the shipbuilding industry who interpret the idea as simply an 'alternative' proposal to that of management. The criteria of social need is lost; the criteria of commercial viability is accepted. The result is bargaining about the numbers of jobs to be destroyed as the rundown steadily continues.



The contrast between the Singer and shipbuilding examples and Lucas Aerospace and power engineering, concerns not only the content and basis of the demands; whether a plan is to meet *workers' interests* or an alternative route to *managements' profit targets*. It also concerns the relation of plans to workers' organisations.

An alternative plan however apparently consistent with abstract socialist objectives is of little use unless it has been drawn up by the workers' organisations themselves, using workers in other fields and with other skills perhaps, but never moving away from understanding and needs of the workers with the power to fight for it. The situation at Vickers illustrates this problem. In this case the plan that is occasionally talked of, was drawn up by members of the Defence Sub-Committee of the Labour Party NEC as part of the argument for defence cuts. In *that context* it had an important propaganda purpose showing how Vickers' productive capacity could be used for peaceful purposes.

The plan was not drawn up and thoroughly discussed by the shop stewards at Vickers as an alternative to the rundown of (civilian) heavy engineering. There was a possibility it could have stimulated this approach. But when the closure of one of the main heavy engineering plants, Scotswood, was announced, the shop stewards instead relied, in vain, on the indirect approach of pressing the government to persuade Vickers to keep the factory open. There was little attempt to use arguments for expanding Scotswoods already useful production, to build up the industrial strength which could alone, reverse management's decision.

This reliance by the Vickers' stewards on the glib promises of Leslie Huckfield and the Department of Industry raises the other problem which struggles involving workers' plans comes up against. It is a familiar problem which *any* campaign which challenges government priorities comes up against: the problem of how to exert political pressure without getting so bogged down in political lobbying that you lose your industrial strength—your only source of independent power in the process.

The workers at NEI Parsons and Lucas Aerospace have managed so far to exert considerable political pressure *and* maintain and to some extent build up their industrial power. But this has much to do with the political perceptions of the leadership of the two organisations concerned. In both cases the majority of the elected leadership had few illusions in the power of parliament over multi-nationals like Lucas and GEC or about the will of Labour ministers to use what little power they have. In both cases the political lobbying was seen as only one part of building a mass extra parliamentary pressure based on the activity and strength of the workers themselves.

These then are some of the problems. As the last example demonstrates, the extent to which these problems swamp the real political potential of workers plans depends on the sort of political influences and leadership which grow within the workers' organisations concerned.

That is why it is so important for members and supporters of the SWP to become actively and enthusiastically involved in strengthening the campaigns for workers plans. For the SWP to make the problems *their starting point* and hence take a negative stand is I believe to leave them open to the accusation of sectarianism towards political initiatives which do not emanate from the party itself. I hope future debate coverage and activity by the SWP will prove such an accusation false.



The Welfare State:

Capitalist Fraud or Working Class Victory?

Phil Lee



Some friends of mine, and enemies, have accused me of having an inconsistent understanding of the Welfare State. On the one hand, I have emphasised the welfare state as a repressive mechanism of social control — the schools, social work, social security agencies, housing departments, the probation service — all were seen as a means of adapting rebellious groups to the needs of capitalism. On the other hand though, I and my ilk were perfectly prepared to defend the welfare state against the 'cuts', and always pressed for even greater extension of welfare provision.

How can I best answer this accusation, and review these four books?*

To start with let's try to be materialist and remember that in the 1950s and early 1960s Marxism was 'swimming against the stream'. It was isolated from any real working-class base, and obsessed, quite correctly, with how capitalism appeared to be able to turn all attempts to reform it into its own gains.

In this sense our scepticism was very healthy. It was vital to challenge the beliefs prevalent in the British labour

movement that capitalism was a 'tamed beast'. It had to be stressed, again and again, that the 'reforms' of the 1945-51 Labour government had *not* produced a classless, poverty-free, super social-democratic eldorado. Far from it — poverty was still rife; no new hospitals were built in Britain between 1946 and 1955 and no higher a proportion of working-class kids were going to university than had been the case before the first world war, etc. And, of course, the welfare agencies did act as an apparatus of social control — particularly in their dealings with working class women, black people and kids. We were not wrong about these things.

But if not wrong our arguments could have been rightly accused of overstressing the capitalist fraud, or social-control, aspects of welfare provision. For whilst we were not living in a social democratic dream-world, living standards and conditions had improved dramatically for most working-class people when compared with the 1930s. For example, no longer did 114 babies out of every 1000 born in Jarrow die at

birth as in 1935, nor if lucky enough to survive did 83 per cent of those children suffer from rickets.

By insisting that the ruling class benefited from healthy, well-educated workers and that far from subverting capitalism from within, welfare expenditure actually stabilised and benefited it, we came close to a very pessimistic type of conspiracy theory. We were not wrong as such, just rather one-sided in our emphasis.

Of course the ruling class wants a healthy, compliant labour force. But does it want to pay for it? Can it afford to pay for it? All of us engaged in fighting the Thatcher Axe know only too well the answer that the British ruling class would give to this question at the present time.

Our old arguments simply underplayed the extent to which the working class itself wants to be healthy, have a decent social wage and an old age to look forward to. Not only does the working class want these things, it has historically organised, fought for and, on occasions, died to obtain better welfare provision. Many welfare gains *do* represent the fruits of such struggle and sacrifice. There simply would not be any publically-financed health provision even in its present limited and rapidly vanishing form, were it not for those struggles.

But if the capitalist plot argument was over-exaggerated, equal care must be taken with the logical conclusion of this argument — that the welfare state is, purely and simply, a working-class victory. Too many Labour Party and CP militants labour under this illusion, seeing the welfare state through clouds of sentimentality.

So to return to the inconsistency I was accused of. My arguments were not discrepant at all. The welfare state represents neither a pure working-class victory, nor a capitalist plot. Yet, it appears, at different times as both these things — aiding and abetting capital accumulation and also improving workers living standards.

It is not that my (our) theory is contradictory, but that the welfare state itself contains positive and negative features within an apparent unity. It reflects in Gough's words 'the root contradiction of capitalist society — that between the forces of production and the relations of production'.

The welfare state simultaneously displays tendencies to enhance social well-being, to develop individuals, to exert control over the blind play of market forces; and tendencies to repress and control people, to adapt them to the requirements of capitalist production.

What we need, therefore, are 'rounded' analyses that can locate these contradictory tendencies. Analyses that can grasp first, the primary importance of the condition of national economic health for the success of reforms. Second, the fact that even during 'boom' periods initial movements for limited

reforms usually come from the organised labour movement. And third, that even if successful, such reforms that are achieved are always watered-down, contaminated by the capitalist shell that they find themselves trapped in.

These four books, in different ways, contain the seeds of these necessary 'rounded' assessments and it is useful that they have been virtually simultaneously published. For each arena of major welfare provision, apart from education, is investigated. Ginsberg tackles housing and social security; Simpkin — social work; Widgery — the health services. Gough focuses on the whole edifice.

Much of Gough's excellent argument has been rehearsed in the early parts of

DO YOU KNOW
that all this is part
of the Health Services
which begins today?
Domestic help where
needed on health
grounds.
Home nursing for
cases needing special
care but not suitable
for hospital treatment.
Vaccination and im-
munisation.
Laboratory tests.
Child welfare, health
visiting.
Special care after ill-
nesses.
Free use of ambu-
lances.
All kinds of mental
treatment.

AND

Yesterdays Promise: Report from the Daily Mirror 5 July 1948

this review. His book constantly, and somewhat repetitively, reminds the reader that the welfare state is in a Catch-22 position. But his separate, and clearly written, sections on the capitalist economy, the capitalist state and the expansion of social expenditure allow the readers to detect for themselves the contradictory functions of welfare activity through his carefully chosen historical examples.

Also, Gough's starting point is sound — the world market. He shows how the international capitalist recession of the 1970s has produced an international pattern of cuts in public expenditure. For our purposes it is important to note that the Labour Party did not deviate from this pattern one iota.

Gough will be accused in some quarters of modifying, even rejecting, the labour theory of value. Of being a dreaded neo-Ricardian. Even if this is so, his arguments, particularly in Chapter 6 and appendix C, still need careful appraisal and not dogmatic rejection. His basic position, as opposed to bourgeois

economists, like Bacon and Eltis, and fundamentalist Marxists like David Jaffe, is that 'there is no necessity to assume that the growth of the welfare state will inevitably reduce the quantity of surplus value in the capitalist sector and thus inhibit accumulation and growth.'

Instead, one can argue that a greater share of wage and salary income is channelled via the state, some to return to working families, some to the dependent population and some to finance other areas of state expenditure. This redistribution of payments for labour need not necessarily encroach on the share of profits or surplus value in total output. His development of this argument — of when it will work and won't — are the most thought-provoking pages in the book.

These pages need to be assessed soberly for, in my opinion, they potentially lead to a far more profitable *political* strategy for state workers, (a rank-and-file strategy) than do any alternative understandings.

Gough is weak though on practical guidance for developing those political strategies. Here the books by Widgery and Simpkin score points, high points. Both were written as additions to Macmillan's *Crisis Points* series — 'books written from the inside by practitioners, or activists, confronting the crisis in their field of work; they are informed in their content and not academic in style; and they are accessible'. Well, it may be advertising blurb from a company investing in the crisis, but it admirably describes these two books.

Both could be subtitled 'Why you should be a social worker/health worker and a socialist'. Widgery has the easier task. He traces the rise of the early poor law hospitals; the rise of the N.H.S. from the ashes of the hungry 30s — pointing out how throughout the period profit has generally been 'the best crude criterion of our commitment to community care'. His next chapters investigate the role of the GP; mental health; private practice and the drugs industry. They are all full of incredibly useful information. Did you know that 43 per cent of our primary health care bill was expenditure on over-priced drugs? That the drug companies spend £570 on each doctor a year, just promoting drugs? £30,000 will therefore be spent on any one doctor in their career.

The final parts of the book are concerned with trade-union organisation in the health services and the prospects for successful rank-and-file activity. Widgery, a doctor himself, reminds us that since the cuts started 100 hospitals have already been shut — despite resistance at EGA and elsewhere. Another 500 are threatened, and yet the official trade union bodies seem weakened in their defence. As Dave says: 'So far, resistance has been piecemeal, mosaic—loose and poorly co-ordinated.' 'Much official union protest has smacked of going through the motions, channelling resistance into general, formal

protest with little real impact, shadow-boxing in the corridors of power rather than in active local defence.

Widgery's book, and example, point in a more effective direction. His book is as Tony Cliff described it in *Socialist Worker* 'a weapon against the cuts'. All health service workers should read it; most socialists ought to.

Mike Simpkin's book does a similarly important job for social workers. His job is more difficult than Dave's because many of the forms of activity that social workers are called on to perform do not unambiguously contribute towards a higher 'social wage'. Nor per se will more social workers (as opposed to home helps), repressive work experience schemes for school leavers (as opposed to adequate training as of right) or more welfare bureaucrats (as opposed to comprehensive social security benefits as of right).

In short, capital may wish to push social policy in the direction of more and more social workers. Any Marxist analysis of the Seebohm Reform must

surely point out how social service departments have offered the state a cheap social policy option in the form of social workers, and others, who reinforce highly selective social policies. Of course, social workers contribute directly to the social wage when engaged in caring for perennial clients — the old, sick, handicapped etc. Groups who will need to be cared for under socialism as well as capitalism. But many forms of social work, and so-called radical social work, take place in areas of activity where socialists should be pressing for universal provision, as of right. Of course, one cannot ask people to ignore suffering — but socialist social workers have to be aware that the services they staff may actually be standing in the way of potential labour movement demands for more comprehensive provision.

Mike is more than aware of these dilemmas and sensitively charts his way through them. His basic problem is how to build on the magnificent solidarity, at rank-and-file level, of the recent social workers' strike and yet also avoid the

state's need to use social workers as a palliative. His thought-provoking attempts at answering the very difficult questions that emerge from any possible resolution of these issues is well worth £2.95 of any social workers money.

Ginsberg's book pays serious attention to an aspect of welfare provision somewhat neglected by the other books — its ideological dimensions. His analysis, for example, of how the labour movement has acquiesced to the state's attempts to restructure British capital is particularly informative. The present form of social security administration, he argues, has helped confine the class struggle for welfare to take-up and improvement of limited welfare rights. (Such arguments again pose the dilemma of radical social work activities). For the most part, the labour movement sees the system as fair and reasonable, whereas in actuality it works to discipline labour, the reserve army and women, and protects the interests of capital in general.

His warnings should be salutary in the present fight against the cuts. We must avoid simply defending existing welfare institutions in their present form, however attractive such a limited strategy may appear in the shadow of the Thatcher Axe.

For Thatcher to succeed it will require a real political defeat of the Labour movement. It goes without saying that we must organise to prevent this. The alternative to Thatcher for the ruling class is, as Gough warns us in a very provocative final chapter, corporatism.

A vast extension of the Wilson/Callaghan social contract strategy. Attempting to integrate more closely the working class through the policing by trade union bureaucracies of their own members — in return for certain, limited welfares. Welfares that would more often than not smack of capitalist fraud than any kind of working-class victory. The working class would simply be castrated.

Militants will be able to use all these books. Some easier than others. And with them or without them, they must guarantee that the fight against the Tories does not prepare the ground for fully-fledged corporatism. Rank-and-file policies pursued by workers, both inside and outside, the welfare services, must ensure that despite the contradictory nature of the welfare state, struggles around welfare issues are turned into working class victories.

*Norman Ginsberg *Class, Capital and Social Policy*

(Macmillan, 1979) £4.95

*Ian Gough *The Political Economy of the Welfare State*

(Macmillan, 1979) £4.95

*Mike Simpkin *Trapped Within Welfare - Surviving Social Work*

(Macmillan, 1979) £2.95

*David Widgery *Health in Danger: The*



Today's Reality: Over a 100 hospitals already closed and so far resistance has only been piecemeal.



A Communist History?

John Newsinger

'If the Party neglects its own history it gets 'nicked'—someone like the SWP, for example, might actually draw from that Party tradition and present itself as the natural inheritor of it'

Martin Jacques, Our History Journal, July 1978

'A long-term strategy broadly similar to that advanced in the British Road would, I believe, have been more correct in the twenties and thirties than that advanced by our Party at the time'

Monty Johnstone, Marxism Today, September 1978

In July 1956 the Executive of the Communist Party of Great Britain established a Commission under the chairmanship of Harry Pollitt to begin work on the official history of the Party. This initiative eventually bore fruit more than ten years later in two volumes (published in 1968 and 1969) by the late James Klugmann that carried the story up until the end of 1926.

And after that: silence. The usual reason given for this is that Klugmann was too overburdened with work as editor of *Marxism Today* and was waiting until his retirement before tackling the rest of the story.

Less charitable souls felt that the horse had refused the fence, that Klugmann was not equipped with the theoretical 'sophistication' that would have enabled him to explain away the ultraleft Third Period that began in 1928, and its application in Britain.

True, he had penned two volumes of eminently respectable 'regimental' history that were marked out by their resolute refusal to discuss the early years of the Party in terms of an attempt to apply and develop revolutionary politics, the only terms in which the experience is at all meaningful, but this did not equip him for the more difficult task of dealing with the Third Period. Not even Klugmann could explain away the characterisation of the Labour Party as a wing of fascism.

Times have changed, and today CP historians are increasingly reassessing the Party's history in a way that altogether displaces Klugmann's earlier effort. From their point of view, his problem was that while he had faithfully recorded the early history of the Party from the perspective of the reformist British Road To Socialism, he did so before the theoretical work that was needed to underpin that programme had been accomplished.

While the programme was correct, it was set in the theoretical mould of the preceding Lenin-Stalin period and so was unable to fully know itself. The theoretical premises that were laid down with the foundation of the Communist International had never been supplanted. Or so the argument goes.

It is only in the last four or five years with

the blooming of Euro-communism and in the debate around the new draft of the British Road that revolutionary illusions have been decisively rejected and the theoretical underpinning of the programme developed. This new theoretical perspective finds its historical application in the pages of the *Our History Journal* that began publication in 1978 and it informs the reassessment of Party history.

What is involved is a complete rejection of the early history of the Party as an error. The Party mistakenly tried to implement a Leninist revolutionary strategy that may well have been appropriate to Tsarist Russia, but was totally inappropriate in a developed democracy like Britain. The Third Period, far from involving an ultraleft break with Leninist politics, as Trotsky argued, was, in fact, an exaggerated development of them and can be conveniently written off along with the whole revolutionary experience.



The only gain that can be registered from the early years is that they equipped the Party with a hardened, experienced, respected cadre that allowed it to make great strides forward in the late 1930s when a more appropriate political turn was made, that is a turn to the right.

Once this reassessment has been accomplished then all roads, as Geoff Roberts observes, lead to 'the famous 7th Congress of the Communist International of 1935' (*Our History Journal*, October 1978), to the adoption of the Popular Front that prefigured aspects of both the British Road and Eurocommunism. For Roberts, however, while the Popular Front was a great step forward, it did not involve a decisive enough break with the revolutionary politics of the Lenin-Stalin period. He sees it as a tactical turn within a



When we were young (and Ultraleft). Some of the Young Communists attending the 1st National Communist Childrens' Conference at Manchester 15th Feb 1926.

revolutionary strategy rather than as an alternative reformist strategy. Certainly there is something in this in so far as many Communists at this time still regarded themselves as revolutionaries, but that is about all.

The rock upon which this new interpretation of Party history founders is that by running together the early history of the Party and of the Communist International into one period supposedly dominated by the revolutionary strategy shared (!) by Lenin and Stalin, it neglects the crucial transformation that took place with Stalin's ascendancy and the consolidation of bureaucratic rule. Far from Stalin sharing Lenin's strategy, he decisively broke with it and bent the Communist International to serve the interests of Soviet foreign policy, rather than the interests of international revolution.

There is no question here of seeing the CP as purely and simply the creature of Soviet foreign policy, but at the same time the primacy of Soviet foreign policy imperatives has to be insisted on in any discussion of Party history. The touchstone of Communist politics up until 1968 was the defence of the Soviet Union and in the end all else was subordinated to this. This was as true of the Popular Front turn as of the Third Period:

One embarrassing problem with the neat little schema that Roberts, Monty

Johnstone and co put forward is that the Popular Front was accompanied by the Moscow Trials and their overspill into Western Europe, notably into Spain. Obviously, it would have been more convenient if these events had occurred during the Third Period to be written off as excesses associated with ultraleftism: history would have preserved a delightful symmetry.



However, we are beset by contradictions, and it was at the same time as they tried to implement the Popular Front that the leadership of the CPGB were required to prostitute themselves by their wholehearted and unreserved endorsement of mass murder. Even the building of the Popular Front was subordinated to the defence of the Moscow Trials. No Party historian has so far tackled this thorny question in any serious fashion.

The new school of Party historians are committed to a reassessment of the Party's place in British political life, of its part in the history and development of the British

labour movement, but one of the crucial problems in writing Communist history remains the often stormy process whereby Comintern instructions were adopted by the Party leadership and sold to the membership, the unravelling of the way in which Soviet foreign policy imperatives were translated into the practice of the Party. What this involves is a more radical critique of Party history than the new school are in a position to carry out.

They are disqualified from such a project first of all by the partial nature of their critique of Stalinism. While Stalin's 'excesses' are condemned, the core of his politics, the building of 'socialism in one country' is still championed and his victory over Trotsky and the Left Opposition is still celebrated.

Second, they are disqualified by their reformist politics. The politics of the Party today would have barred it from membership of the Communist International if they had been advocated in the 1920s. Not because they are too advanced, but because they are in essence identical with the reformist politics that the Communist International was formed to fight. For all the fashionable Gramscian rhetoric, there is no common ground. The attempt of the Party in the early 1920s to put into practice revolutionary politics cannot be seriously assessed from a reformist position that is completely opposed to those politics.



Aliens, and alienists

Quite apart from making a great deal of money, *The Alien* has provoked a lot of controversy in the socialist press. There seem to have been two main interpretive glosses: the 'marxist' and the 'freudian'.

The 'marxist' gloss argues that the film is a critique of capitalism and its subordination of all aspects of human life to profit. This thesis is sustained by the fact that the film is set on a spaceship which is run by a commercial company, that the crew spend some time moaning about their bonus situation, that the company is prepared to sacrifice their lives in order to obtain a specimen alien, and that the company has as its agent a 'perfect worker' in the shape of a science-trained android which is devoted to the interests of the company up to and beyond the point of its own

destruction.

The 'freudian' gloss argues that the film is organised around the pathological results of the systematic repression of sexuality. This thesis is sustained by the contrast between the hard-edged neuter technology of the space-ship and the luxuriant luxuriance of organic sexual images which surround the alien.

In this account, the irruption of the alien into the space-ship, equipped with multiple slimy jaws which constitute the ultimate *vagina dentata*, is the explosive return of repression leading directly to the collapse of ordinary life and ultimately to destruction.

Clearly, these two analyses can be seen as complementary and, since both can point to manifest evidence in the film itself, they constitute valid readings. Proponents of these views can then point to the importance of blacks and, especially, women in overcoming these disasters and claim the film as a minor representative of progressive cinema.

The problem with this approach is whether attention to these factors obscures other important aspects of the film. In my view, it does. In the first place, there seems to me to be a difference between a film which deploys such characteristics as a part of a spectacle and one which is organised around

them.

Perhaps it is a sign of my philistinism, but I really cannot see either of the above readings as constituting anything more than fashionable decoration grafted on to a quite different structure. The fact that the film employs, quite gratuitously, some of my most-loathed cinematic devices only serves to confirm my suspicions.

At root, the film is not organised around either of these two themes but around the dominant and venerable plot-structure of the horror movie. An isolated group is faced with a malicious external agency, supported from inside the group, which destroys them one by one as the narrative contrives to separate each from the group.

The persistence of this structure means that it means something important about the way we think about the world. In the first place, the basic function of the horror theme is transparently a displacement of concerns arising from the conditions of every-day life.

We live in a world which claims to be organised upon natural, rational and self-evident lines, yet is experienced as a succession of arbitrary, mysterious, and usually unpleasant, events originating from sources outside our knowledge or control. Since, in general, we lack an adequate framework for analysing this — conviction in the existence of God and Devil being only slightly more popular than belief in the validity of dialectical materialism — it follows that this problem should be represented as the consequence of the agency of an Other not subject to the norms of the self-evident; in short, a Monster.

The horror story is a genre built around this representation. There are at least three major variants. In one, separation from the norms of the group leads to destruction at the hands of the Monster. In the second, the Monster is apparently just like the rest of us but, in secret, reveals its monstrous nature. In the third, it is the group itself which collectively constitutes the Monster and the only refuge is individual isolation.

The Alien is built mostly out of version one, with a little bit of number two thrown in. An example of version three is *invasion of the Bodysnatchers*.

None of these versions seems to me to be inherently 'progressive' since all three displace and resolve real material

contradictions onto the plane of irrational, unmotivated, and hence a-social, evil. The form is clearly magical. But within these determining limits, it is clearly possible to represent the Monster with either progressive or reactionary trappings: it could, for example, be represented with the attributes of British imperialism or of the IRA.

In either case, however, the form itself necessarily blocks any real understandings of the nature of social life. For example, a horror story in which the Monster has the trappings of imperialism — say *The Heart of Darkness* — can only represent the nature of imperialism as some form of transcendent evil rather than a real material process. And the antidote to transcendent evil is not class struggle but transcendent virtue.

In the case of *The Alien*, however, there is yet another displacement, this time into the territory of science fiction. At one level, of course, this is little more than another piece of fashionable decoration since it takes little imagination to see how the film could be re-made in a setting of Patagonia or, for that matter, Transylvania. But it does raise another set of questions about displacement of social contradictions and its effect upon the nature of representation in films, literature etc.

In the case of science fiction, the displacement is one which, by means of projection into another time or another world, alters or removes the necessary determination which is characteristic of our lives. We can see that most starkly when we examine those science fiction stories which combine the technology star-drives with the sociology of feudalism.

The marxist reader, faced with these contradictions in Asimov's Empire trilogy for example, has to agree to the voluntary suspension of materialist disbelief simply in order to get beyond page one. Once again, we have a form which, at best, can represent lived contradictions in an abstract and, as the jargon goes, one-sided fashion.

Now this too, does not imply any necessary limitation of political direction for the science fiction writer. If we read the work of the very fashionable Ursula Le Guin we find a narrative skill equal to that of orthodox fiction writers, a

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scrupulous avoidance of the crude technology/sociology error, and progressive political opinions oozing from every page.

But we also find a form in which the pressing social problems which this writer is so concerned to address once again take the form of moral dilemmas. Of course, it is true that, from the point of view of the individual, social contradictions can appear as matters of morality but this step is very difficult, or impossible to represent in the science fiction form since the given social structure is literally the arbitrary product of the writer, and consequently the resolution of a contradiction is necessarily equally arbitrary. Thus, to the extent that the writer operates in this form, both problem and solution are necessarily subjectively determined.

The ability of film to construct an arbitrary world as a seeming reality renders this problem even more acute, and *The Alien*

provides a prime example. In effect, the trappings of space-travel and androids are merely trappings, and ultimately arbitrary trappings at that.

For example, the final destruction of the alien itself is the entirely fortuitous discovery that it happens to have a violent reaction to a particular form of gas which happens to be available to flood the atmosphere of escape craft. Thus, here, the initial displacement of human resistance to threat into the superior courage and persistence of the isolated and exceptional heroine is once again displaced into her triumph as the result of the chance equipment of her vehicle. Delivery from evil is very clearly the work of an entirely mechanical God.

Whatever claims may be made, for the progressive content of this film it seems to me that we have here another good yarn.

By the way, I was scared stiff.
Colin Sparks.

REVIEWS in brief

Congratulations to the organisers of the third Socialist Bookfair held in London on November 2nd/3rd. It may take a little time yet before booksellers and librarians throughout the country recognise that socialist books deserve more shelf space, but publishers of a wide variety of titles have certainly recognised a large new market.

With substantial cut-backs in educational and library expenditure it has now become much more necessary for comrades to go out of their way in libraries to order the kind of books for which they want a wider readership.

Two political diaries have been published for 1980 which readers may wish to get, though pricing may put you off. The subject of Pluto's *Big Red Diary* (£1.95) is the politics of sport, timed for the year of the Moscow Olympics in which Coe and Ovett may not appear as a consequence of the South African Barbarians' Tour *Spare Rib* have produced a more compact and colourful diary than last year at £2.00.

Merlin Press have published their annual *Socialist Register* (£3.00) which contains an excellent piece by Ian Birchall replying to the miserabilist critique of the SWP. Alongside Mandel's new book on Trotsky, reviewed elsewhere in this issue, New Left Books have published a series of interviews with Mandel with the title *Revolutionary Marxism Today* at £4.75.

Hutchinson have published an interesting but uneven collection of essays by members of the Conference of Socialist Economists and the National Deviancy Conference under the title *Capitalism and the Rule of Law* at £3.95. The book is one of the first academic attempts to go beyond criminology and deviancy theory towards a Marxist theory of discipline

and the law within capitalism. Only a few of the essays succeed in moving in this direction.

Peter Townsend's magnificent new study of *Poverty in the United Kingdom* (Penguin £7.95) was published on October 25th. Penguin have made the book far too expensive for the general audience it deserves to get, so it will really depend on others to get the message across in a shorter form. This we hope to do in the next issue of *Socialist Review*.

David Craig and Michael Egan have written what looks like a lively survey of literature and crisis from the Great War to the Atom Bomb, *Extreme Situations* (Macmillan £3.95). Routledge and Kegan Paul have published a work by Merrett, *State Housing in Britain* (£6.95) which is a solid class analysis of housing policy. *Alastair Hatchett*.



H is for the Hell they'll go to



These cartoons appeared in the November issue of 'Police Review' the House Magazine of the Police Federation.