

SOCIALIST REVIEW

NEITHER WASHINGTON NOR MOSCOW, BUT INTERNATIONAL SOCIALISM

VOL. 6 No. 8

MAY, 1957

SIXPENCE

This Issue includes :

After the CP Congress

Briggs battles

Lansbury's example to our day

German scientists speak

Labour movement notes

Forum on The Decline of British
Capitalism and The War
Economy

WE CAN STOP THE H-BOMB

There is no afterlife beyond the use of the Hydrogen Bomb. "In present circumstances," admits Tory Minister of Defence, Sandys, "it is impossible to defend this country against an attack with Hydrogen bombs." And yet the Bomb is made, will be tested and has become the basis for Tory policy at home and abroad.

Two days after Sandys' pronouncements in London, Field Marshal Lord Montgomery, Deputy Commander-in-Chief of allied forces in Europe, spoke in Paris, revealing the full range of horror envisaged. "He gave," writes the *Times* (April 20), "a summary of the kind of weapon that the NATO Powers could expect to possess in 10 years' time. There would be naval ships, including submarines, with nuclear power; nuclear warheads for weapons down to and including field-guns; strategic missiles with nuclear warheads; quantities of guided missiles with ranges up to 500 miles, and some longer range ballistic missiles. Man-made satellites would circle the earth, and improved submarine detection systems would be available. Nuclear-powered aircraft would be in the development stage, as well as inter-continental ballistic missiles with ranges of up to 5,000 miles.

"But older weapons would still be used alongside the new . . . The number of piloted aircraft might be reduced, but they would still be needed . . . They were essential for 'police actions' and cold-war activities . . ."

The prospects are awful, and yet nothing is done to prevent the build-up of nuclear violence.

Labour leaders 'policy'

The Labour Party leadership decided on the manufacture of the A-Bomb; they supported the production of the H-Bomb. George Brown, Labour shadow-Minister of Defence, was brazen enough to bring that policy to its logical conclusion and broadcast his view (and that of a majority of the Labour Party leadership) in a party political broadcast. "We must," he said, "be able to show any aggressor that we have got the bomb. The only

way you can really do that is to show that you have successfully tried it out and it has worked."

The storm raised by Brown's statement forced the leadership to tack their sails. But nothing more has come out of its compromise with rank-and-file opinion than a resolution to postpone the reckoning. No attack on the manufacture of the Bomb; no decision to scrap the Test. Nothing but postponement. Wait, talk, clear the moral decks for . . . the Test and nuclear annihilation.

This is no policy. But is there any other, or is the character of the threat so frightening that we dare not interfere, dare not upset the fine balance of mutual deterrence and nuclear stalemate? Are we to leave unquestioned the decision over the life or destruction of civilized humanity or will we take the initiative out of the hands of the ruling class on both sides of the Iron Curtain? What is the arbiter: the Bomb or we?

The answers will decide the fate of humanity. There is no solution in the present stalemate. The slightest change in the international relation of forces—a decisive technical advantage, an economic or political coup in a key, "uncommitted" area, an American slump or a Russian "Hungary"—can change the Bomb from threat to reality. The nuclear race is postponed mass suicide. Once used the Bomb suffers no amendment.

Act now or never

Capitalism's wars hitherto, however destructive, however barbaric, have had a beginning, a middle and an end. Four or five years is a long stretch in the history of nations. Class consciousness has time to grow and deepen as capitalism plunges from crisis to crisis. The flux of war, the militarization of the home front, the cant and hypocrisy of a chauvinism born of profits and fed on blood—these are the conditions that make every imperialist war a potential civil war, potentially a revolutionary liberation from a system whose very gut is violence and the violation of human feelings.

But a future war will have no middle. The beginning is the end; there is nothing in-between. If we are to survive we must learn and act before the experience. For us, there is no afterwards.

Can we act? The Bomb is so remote, war is so remote and the decisions about them are so beyond the circumstances of everyday life that we feel there is no bridge between the two. We forget that the arms budget feeds on the economy so voraciously that every decision on "defence" is

really a decision on the standards of the working class.

The Bomb and industrial struggles

The first phase of post-war rearmament scarred our free National Health Service. The drain of over £130,000 million spent on arms since has weakened our economy to the point of collapse, has formulated the Tory policy of higher rents, higher prices, sharper conflicts with the working class. Even these initial steps on the road to destruction have brought us to the crucial question—who is to pay for our nuclear coffin, workers or capitalists? And seeing that nuclear war is so expensive, there is only one answer. The workers must pay.

Already, we are paying. Already we are learning the economic lessons that the working class learnt only after the outbreak of war on the last two occasions. It was only in 1941, two years after the beginning of World War II that unemployment disappeared in this country; today, the permanent war economy ensures—even without the fighting—full employment and the confidence and strength that go with it. Under conditions of actual war only the most politically conscious will take, and have taken, strike action; today the picket line is becoming more and more the front-line of the class struggle.

We are learning. We are acting. Every victory, even the most remote, bears on the question of our future. A penny on the pay, postpones the war a day.

Our allies

The Bomb is the last resort of capitalism in permanent crisis. The permanent war economy is necessary for the Bomb. But the permanent war economy nurtures its undertaker—a working class fully employed, confident and yet experiencing the burdens of war long before its possible outbreak.

The very costliness of the Bomb strengthens this working class. Every economic sinew will be strained to the utmost as the war clouds gather on the horizon; every country on both sides of the Iron Curtain will be yoked for the ascent to Devil's Peak. As conditions become worse, they also become common. National differences submerge in class unity. The struggle to retain the conditions we have gained in the past merges into a political struggle against war preparations—a political struggle in an international arena. Can we have better allies than our German brothers who are fighting

Turn to back page

NOTTINGHAM SOCIALISTS

and

SOCIALIST REVIEW

A step towards the unity of the Left

The events of the last few months have made it clearer than ever that there is an urgent need for a paper standing for consistent, democratic and revolutionary Socialism. A paper that fights against the Imperialist aggressors in Egypt and against the butchers of the heroic Hungarian workers who fought for workers' democracy through workers' councils. A paper independent of both Western capitalists and Russian bureaucrats; a paper independent of the right-wing bureaucrats in the Labour Party and Trade Unions and of those in the Communist Party.

Up to now the SOCIALIST REVIEW has tried to put forward this point of view. Now those associated with the publication of SOCIALIST REVIEW are being joined by a group who live mainly in the Nottingham area. From June onwards SOCIALIST REVIEW will be the common paper of these two groups.

In accordance with the ideas held by both the two groups, the programme of the SOCIALIST REVIEW (printed on the back page) is being redrafted.

SOCIALIST REVIEW will try to serve as a wide forum of left-wing opinion. It does not pretend to have the answer to all questions. It will keep a certain amount of space for controversial discussion of problems facing the British and international labour movement.

AFTER THE CP CONGRESS

By Pat Jordan • Member, Nottingham Marxist Forum

The long-awaited Easter Congress of the Communist Party has come and gone. The results are very much as expected. Like a second-rate Hollywood film, once one knows the title and the stars, one knows what the story is going to be—so it was at the Easter Congress.

The rebels were few. Despite the fact that they included key personalities like Professor Hyman Levy and the much-publicized Shop-Steward, McLoughlin of Briggs, less than one in fifteen voted against the Executive in the key vote upholding Peter Fryer's expulsion from the Party. And this was after Hyman Levy's impassioned attack on Pollitt and Co., in which he cried:

"I must have the truth. . . I am not the only member of the party that has been deluded by the leadership."

"I must have the truth . . ." cried Levy, and yet despite the feeble excuses of J. R. Campbell, editor of the *Daily Worker*, it was precisely because Peter Fryer told the truth about Hungary that he was expelled.

More Tory than Tories

Even on the issue of conscription, a long-standing bone of contention, the EC had their way. Here surely is the most fantastic position of all:

The Tory party is to abolish conscription; the Labour Party is against conscription; and yet the "Vanguard of the Working Class" is still for a twelve months' period of National Service! I wonder if those colonial Comrades who still support the Communist Party have reflected on this. In an age of nuclear war, the only possible use for a British conscript army is in suppressing colonial workers.

WHAT'S ON IN LONDON?

NCLC Socialist Forum:

Sunday, May 5, Mr. Y. Gluckstein, author of *Stalin's Satellites in Europe* (published by Allen and Unwin, 1952) and of *Mao's China* (shortly to be published by Allen and Unwin) will speak on **China Today**.

Sunday, June 2, an expert will speak on the medical, social and political implications of **Nuclear Armaments and Nuclear War**.

All meetings of the NCLC Socialist Forum are held at 7 p.m. at The Prince of Wales Hotel, 1 Bishopsbridge Road (near Paddington Station and on bus routes 7, 15, 27 and 36).

Socialist Review

day school on the **Unification of the Left** (morning) and the **Permanent War Economy** (afternoon) on Sunday, May 19, commencing at 10.30 a.m. Regular readers invited to participate.

Sunday School for Socialists

every Sunday evening at 7 p.m. at Michael Kidron, 30 Hamilton Terrace, London, N.W.8. (Buses along Edgware Road.)

Workers' councils out

At least one theoretical question was cleared up. The Communist Party is now on record definitely as being against Workers' Councils as a substitute for Parliament. Campbell says there is no sense in pursuing a policy that will drive the middle class and small business people into the hands of reactionaries. It seems to me that I've heard that somewhere before!! However, after Hungary, everyone must already have guessed that, in the eyes of Pollitt and Co., Workers' Councils are the instruments of Fascist counter-revolution.

And Pollitt and Co. are still firmly in the saddle. The Panels System, by another name of course, has seen to it that they have come through the "democratic" mill unhusked. Not the slightest dent has been made on the monolith. All 42 on the "recommended list" were returned on the Executive. However, the surprisingly large votes for Brian Behan (188) for the EC and for Hyman Levy (100) for the Appeals Committee were a smack in the face for Pollitt and Co. The rebels in the Party are still there, and cannot be blinded for ever.

This Congress should remove once and for all any illusions that it is possible to transform the Communist Party into a genuine workers' party. I feel that most of the rebels will come to the same conclusion as the Nottingham Marxist Group came to six months' ago: "The anti-democratic nature of the Party structure makes it impossible for the rank and file to influence its basic policies or change its leadership."

The future

Likewise those comrades who stayed in the Party to help clarify the political questions will see the futility of this attempt. The experience of the Marxist Forums that have sprouted all over the country since the Hungarian events drove many comrades out of the CP shows that the worthwhile CPers are anxious to take part in open discussions as conducted in these forums. These comrades will surely prefer to work in this way rather than be publicly associated with a party that is despised by the British working class.

What will happen now? While thinking that the estimates of 4,000 to 7,000 leavers are a bit high, I believe that thousands will resign in disgust. Alongside of this, a further qualitative degeneration of the CP will take place because, to a large extent, those who have or are going to resign are serious activists. There will be a further decline in the political level, in branch life and organization. The **proportionately** large paper membership will impose on the few activists a back-breaking task of collecting dues and selling literature.

What is more, in this atmosphere of "not getting anywhere," of "banging one's head against a brick wall," every new crisis in the Eastern Bloc will bring forth a fresh conflict in the CP and a wave of resignations.

Of course there will be a partial stabilization. To this end there will, I think, be a tightening of discipline.

Pollitt and Co. know that another period of discussion will leave them with practically nothing.

They will turn more and more to industrial and rent struggles to provide an escape valve from thinking too deeply. In this situation and because of the continued domination of the Right-wing in the Labour Party and trade-union movement, the danger still exists that they may capture militants. **In this situation it will be the task of the Left to prevent militants from entering the Communist Party prison house. They will do this by combining a continuous exposure of Stalinism with the building of a militant Left to organise the fight in the industrial and political arenas.**

The writer is optimistic. For years the Communist Party has prevented the emergence of a Marxist Left Wing. In the minds of the British workers Marxist and Left Wing policies have been equated with support for Russian foreign policy. Now, the thousands of ex-CPers who, if they got nothing else from the Communist Party, at least got an acquaintance with Marxism, can lay the basis for the emergence of a genuine, Marxist Left in the British Labour Movement.

Business—continued

donations, and increased sales. If you like the *Socialist Review* and the ideas for which it stands, help us to meet the heavy costs we have to bear by undertaking to sell a small number of copies each month.

BRIGGS MOTORS by Ron Keating

Jack Mitchell, Convenor of Shop Stewards at Briggs Motor Bodies, speaking at a recent meeting organised by the NCLC Monthly Socialist Forum, expressed his concern at the delay in the publication of the findings of the Cameron Inquiry. He stated quite bluntly that the reason without doubt was the fact that if the report was made public during the engineering and shipbuilding strike it would be impossible to fob the workers off with yet another "independent" Court of Inquiry.

How prophetic these words are to us now that Cameron has delivered his judgment.

The Briggs workers, however, are not likely to take this frontal attack from the employers, the Government, the press and "unbiased" judges, lying down. They had to fight, and to fight hard, to achieve the state of factory organisation that they now have. Mitchell referred to the situation at Briggs before the workers organised themselves. He looked back 20 years and quoted from what is regarded amongst the Briggs workers as an "Historic Document." This was a letter written by 12 workers to the Transport and General Workers' Union and marked the beginning of a concerted attempt on the part of the Labour movement to organise the workers at Briggs Motor Bodies. We will do well to draw attention to the conditions existing as recently as 1937.

"We of Briggs Body Company are the victims of low wages and high-speed production. The work is such that we are becoming mere appendages of the machine, the machine setting the speed; everyone in these works is panicky and nervous. Accidents occur by the dozen; the first aid is, by the nature of things, also working at top speed. One poor fellow was crushed

OUR BUSINESS

The need for a paper which stood out clearly for a left wing socialist party uncompromisingly opposed to the systems prevailing east and west of the Iron Curtain was the reason why the *Socialist Review* was first launched in 1950. The events of the past year have in our view more than confirmed this need and with this in mind we brought out the new enlarged paper in December—a step which was made at the cost of considerable sacrifice on the part of those who produce and sell it.

The new *Socialist Review* has won approval from many quarters. Sales have increased and letters of congratulation have come in from both old and new subscribers. In particular we have won applause from many members and ex-members of the Communist Party who have been shocked by events in the so-called "Socialist" countries.

The growing appreciation of the need for such a paper in certain circles of the British Labour Movement has been paralleled by the growing interest shown in its publication from abroad. Completely new applications for copies have come in over the past few months from the United States, France, Norway, Denmark, Sweden, Canada, India, Poland and even the Fiji Islands. A request came from Argentina for the right to translate the Marxist analysis of Russian society *Stalinist Russia* by Tony Cliff which has been distributed through our kindred Kidron Publications. Such interest added to long standing orders abroad points to a small but none the less real international interest in the idea of the Third Camp which we have striven to promote.

Conscious as we are of our faults, we can only improve if our supporters will assist us to the full by way of

to death last night owing to the anarchy prevailing in methods of work. Men and women are so afraid of losing their bread and butter that they dash about here and there without any regard for the safety of themselves or any others; this is how the man was killed. He was crushed by an overhead crane, the crane man has to hustle so fast that he has no time to look out for anyone who might be in the way. . . The normal day's work here is from seven (morning) until seven-thirty (night) at straight time, no overtime money is allowed, the wages average about 1/4 per hour. Some children are paid 4½d."

Today things at Dagenham are different. Despite the blatant anti-union record of the employers the workers have an organisation that serves as an example for workers the length and breadth of Britain.

If Briggs is to continue to give a lead, it must take a determined stand on the reinstatement of McLoughlin. The Briggs workers must be heartened in this determination by the solid attitude of those involved at the recent "victimisation" dispute at Firth Brown Tools Ltd., which resulted in complete victory for the strikers.

The employers, on the other hand, probably share His Lordship's distaste at having to deal with "glib, quick-witted, evasive" workers, in plain language, blokes who stand up for themselves. How much easier it would be if the workers knew their place, as they did until 1937, when a "trouble-making political clique" got to work and spread disaffection amongst the happy and devoted workers.

We've not heard the last of Briggs, but let us hope that we've heard the last of Courts of Inquiry conducted by impartial, unbiased Independants into industrial struggles.

FORUM THE DECLINE of BRITISH CAPITALISM

— By Michael Kidron

Everyone, even the *Times*, is worried about the mess into which British capitalism is leading the country. "Britain's crucial fight today," it writes editorially (April 1), "is the fight for the £. This cannot be emphasized too often." Chancellor Thorneycroft took up the theme in his Budget message: "I must emphasize once more that the general pattern of my Budget must be dictated by the need to place and keep our external position on a really sound footing."

There certainly is something to worry about. Every two years since the war we have had a balance of payments crisis with Britain unable to pay the import bill. 1957 might prove to be no exception. Precariousness in its relations with the outside world has become a chronic disease of British capitalism.

The explanation is not difficult to find. Between 1934 and 1938 British capital received an average of £215 million a year in profits, interest and dividends from investments abroad. At present prices this would be some £650 million. During the war and immediately afterwards destruction and the sale of British assets held overseas and the accumulation of foreign debts to pay for the war amounted to some £6,000 million (*Economic Survey for 1947*, Cmnd. 7046, p. 11), with the result that this income in foreign currency has dropped to £178 million in 1956 (*Economic Survey for 1957*, Cmnd. 113, p. 7), or less than one-third the pre-war average.

Small reserves; big speculation

In 1938 reserves of gold and foreign currency stood at £864 million (about £2,600 million at present prices); at the end of March this year, they were £789 million—also less than one-third of the pre-war average. (And even this sum includes £200 million in dollars which were borrowed from the International Monetary Fund last December to stop the drain on British funds following the Suez War). In 1938 the reserves were almost **10 per cent more** than the total value of imports for that year; today they are only about **one-fifth** the value of our annual imports.

With such small reserves, any upset in international trade—an increase in import prices, a sudden need for a greater volume of imports, loss of markets for exports—could be disastrous. We can pay for only 10 weeks' imports.

The position is made worse by the fact that the reserves do not cover the foreign trade of Britain alone but that of the fifty odd countries and administrative units in the Sterling Area which contributes 25 per cent of the world's international trade.

And, of course, when solvency is so precarious, any trading or monetary difficulty encountered in our international trading relations is immediately aggravated by a loss of confidence on the part of businessmen both here and elsewhere. Loss of confidence means speculation against the pound. Everybody who can exchange his sterling for another, stronger, currency. That largely explains the intermittent balance of payments crises that have plagued us since the war and these in turn explain the forced devaluation of sterling in 1949, the fall of the Labour

Government in 1951 and the drain of £275 million (or more than one-third of the reserves) in the six months following the Suez crisis this Winter.

The position is serious. And there is only one way out: increase exports, cut imports relatively to exports and so build up the reserves. Can British Capitalism do it?

Exports, production, investment

Its record in increasing exports has not been a success story. On the contrary, Britain is at the bottom of the European export league. Between 1950 and the third quarter of 1955 the volume of exports from this country rose by 6 per cent while in Western Germany it rose by 151 per cent, Austria 102 per cent, Finland 78 per cent and France, who has not been doing too well either, by 23 per cent (UN, *Economic Survey of Europe in 1955*, Appendix B, Table IV). In 1956 the volume of British exports rose by a further 6 per cent (*Economic Survey 1957*, Cmnd. 113, Table 7), but lagged behind that of other major European exporters.

Exports do not drop out of the blue. A comparison of production figures is essential in explaining British capitalism's comparative backwardness in this respect. Between 1950 and 1955 output in Britain increased by 16 per cent in volume. In Western Germany the growth was 60 per cent, in Austria 34 per cent, Finland 29 per cent and France 21 per cent (UN, *op cit*, pp. 57-63). Britain's showing was meagre.

Production depends, in turn, on the amount of net investment in factories, machines and other factors. Again Britain comes out worst, as table 1 shows. It is not, then, to be wondered at that Britain's export performance has been such a sorry one.

Table 1: Estimated Capital Accumulation in Some Western European Countries

Net fixed investment as a percentage of net national production

Country	1950	1951	1952	1953	1954
Britain ...	5	5	5	6	6
W. Germany ...	14	14	13	14	15
Austria ...	13	16	14	13	15
Finland ...	22	21	24	20	21
France ...	7	8	7	7	8

Source: UN, *op cit*, p 44

Note: Readers might be surprised at the smallness of these figures, especially after the Budget debate when Thorneycroft, Gaitskell and the other Parliamentarians based their defence of, or attack on, government policy on the figure of 16 per cent. The difference lies in the distinction between "net investment" (as above) and "gross investment." The former being the net addition to existing productive capacity and the latter including both net additions and the replacement of worn out plant and equipment. In an industrial economy, such replacements usually run at about 10 per cent of existing capital.

As for cutting imports, British capitalism has not shown singular aptitude compared with the rest. Between 1950 and the third quarter of 1955 the volume of imports rose by 21 per cent more than the volume of exports, while in Western Germany they rose by 46 per cent less, in Austria 38 per cent less, in Finland 6 per cent less and in France only **one per cent more** (UN, *op cit*, Appendix B, Table IV). No wonder Britain has lost more than one-half of her reserves since the Labour Government fell because of a loss of reserves!

What are the particular difficulties that beset British capitalism more severely than any other? Why can't it keep pace with its competitors in investment, production and exports?

The weight of armour

First, there is the heavy burden of armaments. Despite the progressive reduction in the burden of armaments over the past few years and especially after the recent Sandys' axe, Britain is still wasting more than double the amount on 'defence' (as a proportion of national income) than Germany and just less than a third more than France. Last year 9 per cent of our national income went on "military defence" (calculated from *Preliminary Estimates of National Income and Expenditure 1951 to 1956*, Cmnd. 123, pp 5, 7), while Western Germany spent no more than 4 per cent in 1955 and France only 7 per cent in 1955 (UN, *op cit*, p. 7). That means that both of these competitor countries had a clear handicap (of 5 per cent in the case of Western Germany) in the world investment race.

Strong working class

Then British capitalism is in a sticky position as regards the labour force. Between 1953 and 1955, the labour force in Britain increased by 1.3 per cent (men) and 4.2 per cent (women). In Western Germany the increase (due in large measure to the constant stream of refugees seeking escape from the stark realities of life in the East German "People's Democracy") was 5.7 per cent (men) and 11.7 per cent (women) in the same years. While unemployment figures in Britain have fluctuated between 1 and 1½ per cent of the labour force since 1951, unemployment in Western Germany has been as high as 10.5 per cent and never below 2.5 per cent (UN, *op cit*, pp. 128, 148). The unemployment figures are insufficiently detailed for more than rough comparison and should be treated circumspectly—MK).

and also in the inflation we have had for the past few years. (This does not mean, of course, that the rate of increase in real wages here is greater than elsewhere; indeed, the following table proves the contrary):

National Income, Wages and Prices (1954 figures as a percentage of 1949)

Country	Gross nat. product	Money wages	Real wages	Export prices
Britain	115	140	119	124
USA	123	129	114	108*
West Germany	165	142	139	108

Source: "How Much Investment?", *Times* (January 6, 1956).

Note: *Finished manufactures only.

Dependence on imports

There is a further obstacle to increased investment to which British capitalism is especially vulnerable—her extraordinary dependence on imports of industrial and agricultural raw materials. An increase in investment entails, in the vast majority of cases, an immediate addition to the import bill which, even assuming that these imports will eventually pay for themselves in the form of exports, puts a strain on the reserves of foreign currency in the interim. The position is aggravated by the fact that almost the only source of additional supplies of the imports necessary for investment is the dollar world. That is why, when gross fixed investment other than residential building jumped by the record total of £205 million in the investment boom of 1955, the volume of imports rose by 11 per cent and the value of dollar imports by 36 per cent (*Economic Survey 1957*, pp. 8, 17, 29). In the following year, when the increase in investment had fallen back to half, the volume of imports did not rise at all and dollar imports rose by a little under 1½ per cent (*ibid*).

In other words, the very fact that makes increased production and exports so necessary—the smallness of the reserves—makes it difficult to finance the import of the raw materials that are essential for such an increase in production and exports.

Other problems too

These are not the only difficulties that burden British capitalism. Its inability to direct resources to essential production jobs (over the past two years employment in distribution has gone up by 78,000 and in the "professional, financial and miscellaneous" categories by 64,000); its creation of surplus capacity through competition at home (for example, in the motor industry); and other features are inherent in British as in all capitalism. But as we are interested in the comparative failure of British capitalism compared with other capitalist countries, we shall deal only with the three major obstacles to capital accumulation already given, namely, the heavy arms budget, the relative scarcity of labour and the resulting strong bargaining position of the workers and, finally, Britain's dependence on a particularly high level of imports. These affect Britain in a particularly sharp manner, more so than almost any other capitalist country. Unless the British ruling class can alleviate

(continued next page)

FORUM

BRITISH CAPITALISM — continued

their combined effect, it is faced with the early prospect of becoming the Joe Louis of the developed capitalist world: fighting fifth-rate competitive matches and desperately trying to pay back the taxes levied on its former glory.

Limitations of national State

These are the problems. What of the solution? As long as the international market is a capitalist one, un-planned, chaotic and competitive (even if the competition is between monopolies, aided by the various capitalist states) a solution must be found within the boundaries of the national state. In the case of Britain, the national state includes, in this context, the colonies and dependents where the Imperialist power imposes its economic policy by force, if necessary as in Malaya, the goose that lays the dollar egg. Unable to rely on international co-operation, capitalist Britain must obey the dictates of the world market and adjust conditions at home accordingly.

But the adjustment will be neither easy nor painless in a capitalist Britain. It is difficult to see how they can be made at all.

Two-edged sword

The arms budget is a case in point (although here I don't want to say more than a few words as the subject really merits another full-length article). The commercial competition of other capitalist countries is an irrefutable compulsion to British capitalism to reduce armaments in favour of investment. But the very existence of such competition makes it imperative for British capitalism to retain its freedom of action, or as much of it as possible, and prevent further subservience to its competitors, in this case American capitalism. Caught in the cleft stick of these contradictory forces the British ruling class can neither save the economy from bleeding white nor defend itself and its interests single-handed. The 'prestige' of the tests on Christmas Island cloaks an unbreakable impasse.

Credit squeeze

When it comes to restricting imports British capitalism lands itself in another web of contradictions. A Tory government cannot use selective import control to keep up essential imports at the expense of inessentials and luxuries. It cannot allocate and ration raw materials and investment funds which would have to be part of selective import control. To do so now would mean political suicide. The only way open to it is so to depress the level of economic activity in the country that the demand for imports falls automatically.

That was the declared aim of the credit squeeze and the other economic measures adopted by the Tory government over the past two years. By removing subsidies and increasing rents, payments for the health service and the like, the mass of consumers have been forced to spend a higher proportion of their incomes on home-produced goods and services and cut purchases of imported articles. By tightening higher-purchase regulations and raising interest rates ("the credit squeeze") the government has narrowed the market for some goods—especially consumer durables like cars, electrical appliances, furniture—lowered the level of production and therefore the level of imports of raw materials. By creating a small measure of unemployment it has added another element in alleviating the pressure on the import bill.

Pound vs. production

The result has been satisfactory from their point of view, at least in the short run. The volume of imports remained stationary between 1955 and 1956. Reserves fell by only £151 million during 1956 compared with a fall of £225 million in the previous year. But the cost was tremendous. It amounted to another setback in Britain's competitive position as an industrial country. According to the official *Economic Survey for 1957* from which the above figures are taken, industrial

production remained stationary throughout the year and total manufacturing output—our mainstay—even fell by 1.2 per cent from the 1955 level (*ibid* p. 16).

Future stagnation

British capitalism has thus shown clearly the choice before it: either stagnation at home plus stability abroad or expansion at home and erosion of her international position, of her reserves. It is a choice between production and the pound. And the credit squeeze proved that they have chosen the pound. Indeed, Thorneycroft's Budget promises to continue the same treatment. As the *Economist* writes in alarmed tones, "if one adds together one's highest estimates of the possible increases in real consumption, exports and investment, and then subtracts from them the £100 to £150 million odd of apparent real saving on Government current expenditure, they would suggest an increase in demand and production this financial year of a little over £500 million. This is a sizeable increase. But it is still only a little more than two-thirds of the annual rate of increase in production that was being achieved in the two years up to mid-1955, despite the fact that the present under-utilisation of expanded capacity has led many economists to suggest that the rate of enrichment could now be considerably higher." (April 13. Emphasis added—MK).

Preparing a showdown

Armaments reduction is a labour of Sisyphus for British capitalism—an ever present and pressing task which can never be accomplished. The import front presents—failing selective import control, raw materials allocation and national planning—the sorry 'solution' of defence of the pound at the cost of stagnation in production. Can British capitalism save its bacon on the domestic labour front? Can they weaken the bargaining power of the workers to such a degree that production can go up without an increase in wages, so that the individual capi-

talist will have to supplement the narrowing home market with an expanding one abroad?

The struggle against "brimfull" employment has been waged for some time now. But despite the credit squeeze and the other government measures and despite careful preparations on the part of the business organizations to skip wage increases this Spring (see the editorial in last month's *Socialist Review* for a description of these moves), the first whiff of large-scale industrial action by the shipbuilding and engineering workers brought ransom-money jumping out of their pockets. Eighteen months of preparation were swept away in one week of trade-union militancy. The ruling class were clearly unprepared for such a response. They are certainly not ready for a showdown now.

The road to the brink

Nevertheless there is no other way out for British capitalism. However much its difficulties might be alleviated by the transfer of British conditions and problems to the other capitalist countries, that is, however much Germany, for example, becomes saddled with increased armaments expenditure, with a stickier labour situation (and the recent strikes in Germany point in this direction) and with the need to find an increasing amount of essential raw materials beyond their own borders, Britain will still be the most vulnerable in the contemporary capitalist world. The only way out for British capitalism lies in undermining the strong bargaining power of its workers.

Unable to force a showdown now, unwilling to go to extremes in a basically prosperous conjuncture, the British ruling class can be expected to mix guile with aggression in a conscious attempt to corrode and undermine British working class conditions. A perspective of ever-increasing conflict, of sharpening class-struggle and enhanced class consciousness is opening up in Britain as British Capitalism slowly gives ground to its better-equipped foreign rivals.

"ERRORS" and LABOUR LEADERS

A criticism of Socialist Review from Seymour Papert

On most subjects the *Socialist Review* is unique in Britain for its hard-headed, scientific way of writing. There is one exception: when it discusses certain aspects of the British labour movement (the Labour Party, TUC, etc.) it often allows a fuzzy, woolly way of talking which is in sharp contrast with its usual tone. The front page article of the April number is the worst example I have yet seen.

This article sets out a list of "lessons" to be learnt from the first few days of the snow-ball engineering strike. Though the list itself is open to objection (for example, it contains no criticism of the snow-ball principle itself) my main criticism is directed at the attitude to the labour movement shown by the discussion.

Consider, to begin with, the following quotations: "The second lesson to be learned from the strikes—a lesson that a great number of Labour MPs still have to learn—is that the Government is no umpire." . . . "such a government is a bosses' tool, not an impartial arbitrator as many of our Labour MPs seem to believe."

The implication is that the political position of the labour MPs is due to

their ignorance or foolishness; when they have learnt a few lessons they will stop all their nonsense and become militant champions of the class struggle. The language of the quotation—and of many other sentences in the article—is analogous with that of the *Daily Worker* which puts down as errors all the policies of the Stalin period. In fact neither Stalin's politics nor those of the Labour Party (MPs included) are due to errors. In both cases they can (and must) be explained by the social function of the group concerned—the ruling bureaucracy in Russia and the leaders of the Labour Movement in Britain: each has a rôle to play and these rôles are the roots of their ideologies and policies.

The record of the Labour Party both in power and in opposition leaves no doubt that it has a function as part and parcel of the capitalist economy. Last month Mike Kidron dealt excellently with its record as a government in the service of capitalism; why should anyone expect it to be more profoundly anti-capitalist in opposition?

This does not mean to say that it cannot serve certain important interests of the working class either in

power or in opposition. It can and does. What we have to see quite clearly is that it has commitments on both sides of the class line and that these explain its particular nature and policies.

Prosperous co-existence

The most relevant rôle of the leaders of the Labour Movement in present day Britain is their function as go-between in industrial relations. Capitalism has been sturdy enough to allow considerable gains to be won by the working class without revolutionary struggles, and the leadership as we have it has grown into the mould of mediator. Its adaptation to this function shows itself in many ways.

First of all it has developed a large bureaucracy whose major function is negotiating, drawing up and supervising industrial agreements within the framework of capitalism. For it arrangements peacefully and reasonably arrived at are better than the chaos of independent workers' actions. . . . A mass union membership which will obey orders is better than workers' democracy. A capitalism which makes

profits and is therefore willing to give concessions is better than a crisis-ridden capitalism. In short it has an interest in a peaceful prospering capitalism and only just enough working class militancy to be able to show its fangs from time to time.

The new middle-class

Then there is a large stratum of intellectuals, doctors, lawyers and middle class radicals who cluster around the Labour Movement because they dislike the 'wasteful chaos' of capitalism (and constitute a substantial core in Party Wards and in Parliament). However they dislike the 'wasteful chaos' of class warfare just as much, and have a natural interest in an efficient managerial society—for which, by the way, they will provide the managers.

Each of these two groups is opposed by its nature to the growth of militant, class conscious, working class democracy and a Labour Movement over which they have a powerful influence is forced into the same stand.

Thus capitalism reaps indirectly the benefits of the concessions it was forced to make because the large, bureaucratic and reformist Labour Movement acts as a brake on revolutionary development of the working class (as, for example, in 1926) and on wild-cat militancy. Lord Cameron recently showed

FORUM PERSPECTIVES of the PERMANENT WAR ECONOMY

By Tony Cliff

The economic level of society, the level its productive forces have reached, is the decisive factor in the organisation of its armies. As Marx said: "Our theory that the organisation of labour is conditioned by the means of production, is, it seems, nowhere as brilliantly corroborated as in the 'human slaughter industry'."

In the early period of capitalism the backwardness of the economy made it impossible to feed and arm large armies. Compared with the mass armies mobilized during the first and second world wars, the armies of early, rising capitalism were very small.

Even during the Napoleonic Wars, France, ruler of practically the whole of Europe, did not at any time have more than half a million troops. The British armed forces at the time were less than a tenth of those of France.

All this changed with the First World War. Then France, whose population was only some ten million more people than during Napoleonic times (40 million against 30), mobilized as many as five million soldiers. The other belligerent countries showed similar increases.

Together with the tremendous increase in the size of the armies during

the last half century, there came a change in the rôle of the military sector in the national economy.

Frederick the Great declared of the wars of the eighteenth century: "The peaceful citizen should not even notice that his country is at war." Even during the wars of the nineteenth century, the Napoleonic Wars, the Opium Wars, the Crimean Wars, etc., the life of the belligerent nations was on the whole hardly affected.

1914 — the turning point

However, during the First World War, with a significant proportion of the population mobilized and a major portion of the economy harnessed to the service of war, not only the soldiers engaged in battle, but also millions of industrial workers, peasants, etc.—in fact, the whole civilian population—felt the impact.

Before the First World War, although the imperialist Powers were to some extent prepared for the struggle, it was usual for the economy to be hardly geared to armament production at all. It was only after the outbreak of the war that it was accommodated to the situation it was now squarely faced with—Guns or Butter.

Up to the First World War, therefore, it was possible to analyse the development of capitalism without paying much attention to wars or preparations for them, as they played a minor rôle in economic development.

Immediately after the First World War the military sector of the economy again dwindled: the large armies were to a major extent demobilized and armament production was drastically cut.

However in the wake of the great slump of the thirties and Hitler's rise to power, a powerful peacetime military sector appeared for the first time in history. The Western capitalist Powers—Britain, France and the Uni-

ted States—were slow to enter the armaments race. And although the industries of these countries did get some benefit from war orders, even at the outbreak of the war the war sector of the economy was not decisive: thus there were 11 million unemployed in the United States and one and a half million in Britain; the index of industrial output in the United States in 1939 had not yet reached the level of 1929. It was not until a few years later that the Western Powers harnessed their countries fully to the waging of the war.

Between 1939 and 1944 the production of munitions multiplied in Germany 5 times, in Japan 10 times, in Britain 25 times, and in the United States, 50 times. (F. Sternberg, *Capitalism and Socialism on Trial*, London, 1951, p. 438).

Whereas after the First World War

neglected, cars, furniture, clothing etc. had hardly been replaced.

On the whole, even during prosperous periods of capitalism, some 80 per cent of the national income has been consumed by the civilian population, and at most 20 per cent or so devoted to capital accumulation. The following figures show the rate of accumulation in the national income in the past: Britain: 1860-9, 16.6 per cent; 1900-10, 12.2 per cent; 1919-24, 8.1 per cent; 1925-30, 7.6 per cent; 1934-7, 7.0 per cent. United States: 1900-10, 14.3 per cent; 1919-24, 12.2 per cent; 1925-30, 10.9 per cent; 1934-7, 5.0 per cent. France: 1870-9, 6.0 per cent; 1900-10, 9.0 per cent; 1913, 12.5 per cent; 1925-30, 11.2 per cent. Germany: 1900-10, 19.1 per cent; 1925-30, 7.7 per cent; 1934-7, 11.8 per cent. Japan: 1919-24, 21.9 per cent; 1925-30, 19.8 per cent; 1934-7, 21.9

	Germany		Britain		United States	
	Milliard marks	1939 1943	Million pounds	1938 1943	Million dollars	1939/40 1944/45
I National income ...	88.0*	125.0*	5.2	9.5	88.6*	186.6*
II Government expenditure (mainly arms)	60.0*	100.0*	1.0	5.8	16	95.3
II as % of I ...	68	80	19.2	61.1	18	51

* approximate figures.

there was a period of about a decade and a half in which no advanced country had a relatively large war sector, after the Second World War there was no such break. Soon after its end the armaments race was once again on.

It is clear that even with the present level of labour productivity no economy can allow half or more of its gross output to be devoted to war over a long period. The war sector had, as a matter of fact, eaten into the national capital of all the belligerent countries: factories and their equipment had worn out and not been maintained or replaced, housing had been

per cent (Colin Clark, *The Conditions of Economic Progress*, First Edition, London, 1940, p. 406).

If, even with the present level of technique, 20 per cent of the national income were spent on armaments for any length of time, there would be scarcely any resources left for capital accumulation, in other words, the economy would stagnate.

Even if the military sector makes up, let us say, 10 per cent of the national economy of the capitalist countries, its effect on the economy in general is fundamental. Let us see how this comes about.

[Turn over]

Readers, we have set aside these centre pages for serious discussion and for contributions to Socialist theory. We believe that we are unique in this country in being able to offer a forum for serious socialists who are committed to neither Washington nor Moscow but to international Socialism. We believe that such people will not be frightened by the "heaviness" of the material in this section—our forum.

"Errors" - continued

that he understood the situation better than many socialists when he singled out as a grave cause of the lack of "harmonious labour relations" at Briggs the fact that the shop stewards acted in an "irresponsible" way because they were not under the control of the trade unions.

This dependence of modern capitalism on the co-operation of mass organisations which, because they are able to bring about certain benefits, are able to have a large degree of control over the working class is not special to Britain. All "western" capitalist countries have developed in such a way as to give Social Democracy the function of disciplining the labour force.

Once we grant that Social Democracy has a definite function in society it becomes ridiculous to apply the word "mistake" to actions which flow from this function. The article under fire complains that the union leadership isolates itself from the rank and file; but this is like complaining that the plate fell when dropped.

It is in the nature of the bureaucracy to be anti-democratic and bureaucratic—to allow workers democracy would be to commit suicide. It is no good talking, as the article glibly does, about it being the job of labour MPs to support strikes and of trade unions leaders

to forge working class solidarity. For Gaitskell and Carron to accept such a "job" would be like Henry Ford accepting the 'job' of introducing socialist workers' control.

The militants' job

When we as militant socialists join the Labour Movement we have to face the fact that it is what it is and that the relation of forces in Britain will not allow it to be very different at this time. We have to accept the consequences of being a minority working for a clearer understanding and a more militant outlook on a wider base.

We have to encourage and develop every tendency towards greater independence of action, socialist consciousness and democracy (e.g. by strengthening and politicising the shop stewards committees). We have to be in the fore-front of the fight to expose not only the falseness of New Think ideas but also their source in the position of those who propound them.

BUT:

1. We do not have to cloak our support of the party in a mist of illusions about its class nature, the possibilities of "left wing" manoeuvring, and the essential goodness of heart of its poor MPs misled into bad ways only by ignorance.

2. We do not have to identify ourselves with the bureaucratic leadership and adopt its bureaucratic language

as in the following sentence from the article under discussion:

"Our only weapons are mass solidarity and the knowledge of the rank and file of our aims. The job of the leadership is to expand this knowledge..."

Are "our aims" the same as the aims of the leaders of the Party? Is our concept of workers' democracy so watered down that our picture of a working class party is a leadership which informs the masses of its decisions?

3. We do not have to allow ourselves to be so absorbed into Anti-Tory campaigning that we allow ourselves to criticise arbitration—as this article does—solely on the grounds that the arbitrators are Tories. Arbitration is going to be, in principle, just as much anti-working class if the Labour Party wins the next election as it is now.

Yours fraternally,
SEYMOUR PAPERT.

The criticism criticized

The editor replies:

We have no quarrel with Comrade Papert. On the contrary, we fully endorse the main points of his letter. We agree completely with his analysis

of the function of Social Democracy in Western capitalist society.

But although we agree with the analysis, we cannot accept the criticism levelled against our editorial of last month. As Comrade Papert says, we militant socialists who are part of the Labour Movement "have to face the fact that it is what it is and that the relation of forces in Britain will not allow it to be very different at this time." One of the cardinal features of the Labour Movement at the present time is precisely that the vast majority of the rank-and-file do not accept Comrade Papert's (and our) view on the leadership, that they do expect support from the Labour MPs and trade-union bureaucrats.

Experience of betrayal after betrayal by these leaders—an experience which we believe inevitable—will eventually dissipate these illusions. The function of militant socialists is to juxtapose illusion with reality, put our fingers on what the rank-and-file expects of its leaders, formulate these demands and thus implicitly show how they are not, and can never be, fully satisfied within the present framework of society.

Finally, it might interest Comrade Papert to know that the Mike Kidron whom he praises for dealing "excellently" with the sorry record of the Labour Government in office is the same who wrote last month's editorial in such a "fuzzy, woolly way."

FORUM

PERMANENT WAR ECONOMY - continued

Arms, boom and slump

For more than a century capitalism has gone through a rhythmical cycle of prosperity and slump. Slumps occurred more or less regularly every ten years. But since the advent of a permanent war economy the cycle has somehow been broken. Twenty-four years have passed since the low point in the slump of the thirties—1933. Even since mass unemployment has gone from the major western capitalist countries, some eighteen years have passed.

To understand how this has come about, how a military sector of some 10 per cent or less of the national economy could prevent a general slump, we should first shortly sum up the cause of slumps under capitalism.

Cause of crises

The basic cause of capitalist crises of overproduction is the relatively low purchasing power of the masses compared with the production capacity of industry. As Marx said: "The last cause of all real crises always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way, that only the absolute power of consumption of the entire society would be their limit." (Karl Marx, *Capital*, Vol. III, p. 568).

In the final analysis, the cause of the capitalist crisis is that a greater and greater part of the income of society falls into the hands of the capitalist class, and a greater and greater part of this is directed not towards buying means of consumption, but, instead, means of production, that is, it is directed towards the accumulation of capital. But, as all means of production are potentially means of consumption—that is, after a certain lapse of time, the value of the means of production becomes incorporated in means of consumption—the relative increase in the part of the national income directed to accumulation compared with the part directed towards consumption, must lead to overproduction. And this is a cumulative process. The increase in accumulation

is accompanied by rationalization, resulting in an increased rate of exploitation. The greater the rate of exploitation, the greater is the fund from which accumulation is drawn as compared with the wages of the workers and the revenue of the capitalist. Accumulation breeds accumulation.

Effect of arms budget

Now the armament economy has very great influence on the level of popular purchasing power, the level of real capital accumulation, and the amount of goods seeking a market.

Let us assume that there are a million people seeking employment in a certain country. Further, that ten per cent of them are employed by the Government in producing arms—some 100,000 people. Their purchasing power would bring about the employment of more people elsewhere. The numerical relation between the size of the first group and the second is called by the great bourgeois economist Keynes, the Multiplier. For brevity this term can usefully be borrowed. If the Multiplier is 2 the employment of 100,000 workers by the State will increase general employment by 200,000. If the Multiplier is 3, the increase will be 300,000, and so on.

Hence there is no doubt that the cumulative effect of an arms budget of 10 per cent of the national income can be quite out of proportion to its size in increasing the purchasing power of the masses.

Guns and Butter

Again, when 10 per cent of the national income goes to arms, the capital resources seeking investment are drastically cut: in our example, from 20 per cent of the national income to 10 per cent. And the increasing purchasing power of the people, together with the new State demand for arms, army clothing, barracks, etc., gives greater openings for capital investment.

In addition, the war economy naturally has a big effect on the rate of increase of the supply of non-military goods seeking civilian purchasers.

With the possibilities of employment increasing, wages may well rise. But this, paradoxically, does not deny the possibility of increasing profits: capital is working more fully than otherwise, there is much less capital working at a loss, its turnover is greater. Thus, for instance, in the years 1937-42 total wages in United States industry rose by 70 per cent, profits by 400!

With the stupendous productive forces available to society at present, the increase in the armaments burden does not necessarily and always lead to a cut in civilian consumption. This was shown most clearly in the richest capitalist country in the world—the United States—during the Second World War. Although in 1943 the United States spent the huge sum of 83.7 milliard dollars on the war, civilian consumption did not fall, but was actually higher than before the war, rising from 61.7 milliard dollars in 1939 to 70.8 milliard in 1943 (expressed in 1939 prices), i.e., an increase of 14.7 per cent. The consumption of food rose by 70 dollars per head of the population, expenditure on housing and repairs by 12 dollars, purchases of clothing by 25 dollars. Spending on other goods, with the exception of cars, also rose. So long as armaments

do not consume beyond a certain limit, the increased production of Guns does not exclude an increase production of Butter.

Why arms alone

Let us see what are the basic characteristics which distinguish the armament economy as a great stabilising factor for capitalist prosperity.

To succeed as a stabiliser the "Public Works" undertaken by the state must have the following basic characteristics:

(1) **That they do not compete with private interests which produce in the same field. Thus, a state factory producing, let us say, shoes and competing with private shoe producers, would not decrease the danger of over-production of shoes, but increase it. But in the field of, say, barrack building, the state stands alone.**

(2) **That they employ the industries which are generally most affected by slumps — capital goods industries, heavy industry — industries whose weight in the economy is increasing and whose chiefs are predominant in the ruling class.**

Seeing that whatever "Public Works" are undertaken, some sections of the capitalist class will benefit, such as, for instance, the producers of building materials, these sections will be quite ready to support such a programme. Other sections which benefit less but have to foot the bill through taxation, may well oppose or try to curtail it. Only if the main sections of the ruling class—those in heavy industry, the monopolists and the bankers—have a direct interest in the "Public Works" proposed, can these be carried out on a scale wide enough to prevent a slump.

(3) **That they do not add much—in preference should subtract from—the productive capacity of capitalism, and should as far as possible, slow down the growth of social capital.**

(4) **That they do not add much, if at all, to the output of mass consumer goods and thus are not dependent on higher wages for an increasing market.**

(5) **That, while not adding to the national productive capital, the capitalist class should consider them an important factor in defence of its wealth and even a weapon for enlarging its prospective markets, in which case the capitalists would be quite happy to accept them.** Thus, for instance, the American capitalists who had been very angry with Roosevelt for incurring an annual budget deficit of 2.4 milliard dollars (1934, 3.6 milliard, 1935, 3.0, 1936, 4.3, 1937, 2.7) did not mind a deficit of 59 milliard in 1941-2.

(6) **That all major countries indulge in these "Public Works" to an extent corresponding to their level of national output and wealth. If only one or a few countries were to do so, they would have less resources for capital accumulation, would suffer more than others from inflation, would be defeated in competition on the world market. Only if ALL major countries indulge in them, will each dare to do so.**

Only armaments fits these necessary six characteristics of prosperity-stabilising "Public Works."

Arms breed difficulties

There are three kinds of basic contradictions into which the permanent war economy may fall.

First, although on the whole there is conformity between the productive forces of society and the technique of

In another article in a future issue of *Socialist Review*, T. Cliff will deal with the social and political perspectives of the so-called Cold War, and above all, with the life and death question of the possibility of avoiding a Third World War and the annihilation of civilisation.

the "slaughter machine," the conformity is far from absolute. The burden of armaments may grow much quicker than the national output. Armaments can so cut into workers' standards of living as to cause great social upheavals, and even a socialist revolution. Thus they could lead not to the prosperity of capitalism, but to its overthrow.

Secondly, although armaments may eat up a large portion of the national surplus value seeking investment, and thus weaken the forces leading to overproduction and slump, they may encourage a big advance in general technique and with it increasing pressure towards a slump. (Thus automation was, in part, the child of war industry.) Under such conditions, to keep capitalist prosperity going, instead of 10 per cent of the national income devoted to military ends, 20, 40 per cent or more will have to be devoted. This may create strong opposition among workers and lower middle class people, and perhaps mild opposition even among sectors of the capitalist class who would not benefit directly from the armament drive.

Competitive disarmament

Thirdly, the Powers may compete so fiercely on the world market that each, in order to strengthen its position, would start to cut arms expenditure. We are at present witnessing Britain's being pushed to cut her "Defence Budget" through competition with Germany, and deterioration of her international balance of payments. (See M. Kidron's article in the present issue.) Up to now no country has been able to match the United States, force her to abandon the arms race and start competing on "who cuts the arms budget quickest." She can afford the greatest military budget in the world and the greatest absolute investment in industry. But with the huge strides of Russian industry, it is possible that in another 10 or 20 years, she may, even if she does not reach the absolute level of United States industry, at least challenge the United States on the world market in certain branches—those of heavy industry. Then the United States may learn from Sandys and Macmillan how to cut the defence budget in order to circumvent defeat on the world market. The war economy may thus less and less serve as a cure for overproduction, a stabiliser of capitalist prosperity. When the war economy becomes expendable, the knell of the capitalist boom will surely toll.*

* Of course, certain capitalist countries may face great economic upheavals and hardships even during the era of American prosperity. Thus capitalist Britain and France suffer from balance of payments crises caused by the general, military-induced, world prosperity. They are also affected gravely by the national uprisings of the colonial peoples. But in all probability, so long as the United States (with some half of world industrial output) continues to prosper, the life-belt will be thrown to the European junior partners of United States imperialism. Britain, France and Germany may well become more and more dependent on the United States. But as long as Uncle Sam is prosperous, he will not stop dishing out the dole.

IT'S TIME YOU READ

T. Cliff, *Stalinist Russia, A Marxist Analysis* (13/-)

T. Cliff, *Russia from Stalin to Khrushchev* (1/-)

M. Kidron, *Automation, the Socialist Answer* (1/3)

M. Shachtman, *The Fight for Socialism* (7/6)

M. Shachtman, *The Struggle for the New Course*

L. Trotsky, *The New Course* (12/6 for both)

Labor Action, American Socialist Weekly (4d.)

New International, American Socialist Quarterly (2/6)

All prices post paid

Many Labour Councillors are elected this month, let them

REMEMBER LANSBURY

By Raymond Challinor

On July 29th, 1921, a strange procession wended its way from Poplar, through Whitechapel, and on to the City of London. Led by the corporation mace-bearer, the procession consisted of the worthy Mayor, aldermen and councillors of the Borough of Poplar. Confident but determined, they marched to the accompaniment of a band, a number of supporters and a big banner bearing the inscription, "POPLAR BOROUGH COUNCIL marching to the HIGH COURT and possibly to PRISON."

The elected representatives of Poplar had been summoned to appear before the High Court judges because, it was claimed, they had not carried out their statutory commitments. They had failed to pay outside authorities the "precepts," that is, a levy made out of the rates for services rendered to the ratepayers by other bodies. Poplar's main debt was to the then Tory-dominated London County Council of about £270,000.

The decision not to pay the "precepts" had been made on March 22nd, 1921. A short, jovial, old-style trade unionist, Charlie Sumner, moved, and Charlie Key, a schoolmaster, seconded the resolution not to pay on the grounds that the council's resources were already overstrained. The council had to pay relief to the large number of unemployed because at that time the whole administration of unemployment benefit was done on a local, not national, basis.

If Poplar Council had paid the "precepts" it would have involved cutting the amount of relief granted to the unemployed or, alternatively, increasing the rate burden. As both unemployed and ratepayers were ordinary workers, to take either course of action would involve further reductions in the living standards of that section of the community least able to make it.

Labour to do Tories' work

The capitalist government of the day, led by Lloyd George, looked forward with pleasure to seeing the elected representatives of the poor being compelled to take measures that would adversely affect the poorer section of the community. Like the present Ministry of Housing and Local Government, Henry Brookes, the Government relished the idea of Labour Councils up and down the country meekly carrying out Tory directives from Whitehall—increasing the burden of rates, cutting down municipal services—and probably getting blamed by the electorate for these measures. Far better let Labour get the blame than the real culprits.

To carry out such a policy successfully, the Lloyd George Government calculated, just as Macmillan has today, that Labour representatives of local authorities would be so engrossed with trivial local problems that they would make no effective protest against the government's economy cuts. However, the government miscalculated: it had not reckoned on George Lansbury and the rest of the Poplar Council standing by their socialist principles as firmly, whilst they were in the council chamber as outside. With pungency, Lansbury pointed to the growing problem of unemployment—at that time it numbered about a million throughout the country—and said that he did not see why those working-class areas which had the misfortune of having a large number of unemployed should

have to bear the burden of maintaining them while middle-class residential areas, places with far more wealth, did not have any unemployed to maintain. Lansbury illustrated his case by taking two nearby councils—Westminster and Poplar—both with roughly the same population. In Poplar a penny rate raised £3,643, in Westminster £31,719. Yet Westminster's rate for unemployment relief was negligible while Poplar's took a large portion of its 22s. 10d. total rate.

It was a fight on the broad principle that the workers should not be made to foot the bill for unemployment maintenance, that other sections of the community were in a far better position to do so, that George Lansbury & Co. stuck out, despite threats, despite the taunts of right-wing Labour leaders such as J. H. Thomas, and despite prosecution.

Prison life

One judge asked, "What would happen if all borough councils did this?" "Why, we should get the necessary reforms," Lansbury benignly replied.

But while this statement was no doubt true, it did not satisfy the judges. They sent nearly the whole of the council to prison. Only the Tories, one renegade Labour councillor and the Deputy Mayor, to conduct official business, remained free. The other thirty members were sent to Brixton jail for "contempt of court." They were to remain there indefinitely until they were prepared to carry out the judge's decision that they must pay the "precept."

Brixton prison was hardly hospitable, but the Poplar councillors made the best of it. When they arrived the chief warden spoke to them in his usual stern tone and was greeted with, "Where's your union card?" Worse jolts for prison discipline were to follow. The councillors refused to work; they demanded footballs, exercise, open cell doors, and newspapers. Every day, council officials would visit them because it was necessary to consult them "on business." Brixton prison rapidly became an adjunct of Poplar's town hall.

The rest of the prisoners quickly became envious. They sent a deputation to the Governor asking for the same privileges as the Poplar councillors. The Governor sent for Lansbury, hoping that he would back the authorities in their attempt to maintain rigid discipline in the rest of the prison. But Lansbury would not do this. He said, "These people should have the same privileges as us; after all, they've only broken the law, just as we have."

Poplar Council wins

But it was not only the prison authorities who were becoming increasingly disturbed by the activities of Poplar Borough Council. Lloyd George's Government were also disturbed. They were finding the Poplar Council as much trouble in prison as they were outside. While they were behind bars, they were the centre of public interest, the vocal point of opposition to the Government's economic policies. Inspired by the self-sacrifice of the Poplar councillors, Bethnal Green voted to follow their lead, while Stepney and Battersea looked likely to come out—or rather be locked in—because of their solidarity with Poplar. Lloyd George's Government was confronted with the dismal prospect of placing more and more borough councillors behind bars.

Meanwhile, Lansbury and his comrades were unperturbed. Each night large crowds would congregate outside Brixton prison to hear Lansbury denounce the Government through the gratings of his cell-window. "Where's young E'gar?" they would sometimes shout up. Amid cheers the face of Lansbury's son would appear in the prison window.

But there was nothing to cheer the government. The situation was getting out of hand. Even moderate Labour Mayors headed by Herbert Morrison, who deplored Poplar's action, sent a deputation to the Prime Minister. They realised that unless agreement was reached the whole of London local government would soon break down.

As a result, in October, after little more than a month in jail, Poplar won their case and were released from prison. Their courageous stand received national acclaim. This action of a small east London borough had defeated the Government and its corrupt legal system. Faced with the threat of "Poplarism" spreading—that is to say, other councils "going on strike" and refusing to pay their precepts—the Government was forced

to hold a conference and then introduce a bill that equalised rate burdens, increasing unemployment benefits and making them a matter that was administered nationally.

What Lansbury did 30 years ago we can do with far greater success today. Labour's support throughout the country is greater; the Tory Government is groggy and unsure of itself; and its policies are unpopular.

What are local councillors going to do about it? Are they meekly going to administer the various Government decrees, to apply the Tory policy of cutting down workers' living standards? In which case they are making themselves the eunuchs of Whitehall, the unpaid servants of the Conservative Central Office. Their servility, lack of backbone, and reactionary policy will undoubtedly result in widespread unpopularity. People will say—and rightly so—that they are just as bad as the Tories.

Or are Labour councillors going to take the road to Brixton prison? The road tramped so courageously by those who built our mighty Labour Movement. Such leadership would not only prevent Tory attempts to increase rents and rates, but would also provide an invaluable spearhead to the movement to get the Tories out now.

German Scientists Give Lead

By Gordon Haskell • Associate Editor, Labor Action

A major political uproar has been caused in West Germany by a statement issued by eighteen leading nuclear physicists to the effect that they will refuse to co-operate in any way in the production, testing or use of atomic weapons. This statement, coming on the heels of the British government's announcement of its intention to shift the bulk of its military expenditures to guided missiles and atomic weapons, enters as a factor in the West German campaign for the elections this autumn.

The eighteen eminent scientists stressed the fact that their special responsibility in the realm of nuclear physics makes it necessary for them to take a public stand on the question.

People kept in the dark

They insisted that the German people had not been sufficiently informed of the destructive power of modern atom and hydrogen weapons, and of the fact that there are no technical means known now to defend large concentrations of people against the effects of such weapons. In the face of these circumstances, they said that in their opinion a small country like West Germany could best defend itself and world peace if it expressly and freely went without the possession of any kind of atomic weapons.

Chancellor Konrad Adenauer and his ministers immediately struck out in all directions in an attempt to minimize the political effect of the physicists' statement.

In reply to this, spokesmen for the physicists stated that Adenauer was still misleading the German people by describing the new weapons as a modern development of artillery. And to Adenauer's assertion that atomic armament was a political matter for which he, as head of the government, was primarily responsible, they responded that they had a duty, as citizens, to take a stand and warn the people against the dangers of atomic weapons.

One reason the scientists' statement has aroused such attention is that, without the fanfare of the British White Paper, the Adenauer administration quietly decided, some time ago, to scrap its original plans for the creation of twelve conventional motorized and tank divisions as part of NATO,

and had decided on a much smaller force organized for atomic war. This decision involved a shift from a largely conscript army to one which would be made up in large part of professionals.

British White Paper helps

The issuance of the British White Paper has simply made it possible for the West German government to make public what it had decided to do anyway, without appearing to be taking the lead in scrapping NATO concepts.

The action of the West German scientists could serve as an inspiring example to scientists all over the world.

Their decision to personally refuse co-operation in the production and testing of atomic weapons could be either an act of personal moral choice, or a political act, or a combination of the two. By announcing it publicly, they converted it into a political act of great importance, and have no doubt contributed measurably to the clarity of the debate on military and political policy which will take place during the election campaign.

Scientists' importance

The scientist, in his professional capacity, may simply be in a better position than the average citizen to realize the social implications of the projects on which he is asked to work. This special knowledge does not necessarily endow him with greater political or social sagacity than others, even in the realm of the social application of his own scientific work.

But ever since the atom bomb was dropped on Hiroshima, there has been a growing awareness among scientists of the fact that their profession is now of such vast importance to society that the old attitude of political absenteeism which was so common among scientists has become untenable and even dangerous. Ingrained habits of thought have been hard to change, and the first tendency among them has been to shift to the idea that scientists should take a personal, moral responsibility with regard to the application of their work.

But the fact remains that the application of scientific discoveries and developments tends to become increasingly a political question. That is, major decisions with regard to it are

[Continued on back page]

Notes on the Labour Movement

By David Breen

MR. JACK JONES, Labour MP for Rotherham has been doing quite a lot of talking recently. It is a pity he does not talk about the right things. He had an opportunity. He harangued the House of Commons for a long time during the Budget Debate. He could have attacked a Budget that insulted the workers of this country by being the most flagrantly Tory Budget since the war; he could have dealt with the position of the Old Age Pensioners; he could have attacked the concessions made to surtax payers. Oh yes, there was plenty for Mr. Jack Jones to speak about.

But no. He thought otherwise. For him, the Budget Debate was an opportunity to stage the most vicious attack on striking workers that we have had from either side of the House for a long, long time.

"I do not like the word 'strike,'" he said. He liked the act even less. With what compassion he describes the lot of the bosses of the Lancashire Steel Corporation, for whom he works as a welfare officer. "An employer," he says, "an organization of that type, with a great Christian at the top of it, gets a kick in the teeth, and Britain suffers."

It is true he admits that "there are bad employers still, too many. But"—and this is what really hurts Mr.

Jones, our "old trade unionist and still a Socialist at heart"—"there are still too many tens of thousands of bone-lazy owners of trade union cards who are not trade unionists or good men. They are not trying to do their best."

And so our Mr. Jones, imbued with an implacable spirit to see justice done (to his employers) tempers his "justice" with a hatred for the workers (who sent him to Parliament) and says: "the person responsible for moving the resolution to pull out that great and fine industry should be thoroughly ashamed of himself. Almighty God may forgive him. I personally never will."

Now, I do not object to Mr. Jones holding strong views. That is his business. But if Mr. Jones has any quarrel with a section of the organized workers whom he is suppose to represent, let him raise the matter with them. He may object to the call for a strike, may think it premature, unable to succeed under certain circumstances. These may be legitimate criticisms. But these must be thrashed out with the workers concerned, not brought before the class enemy in Parliament beyond the reach of those that he is attacking instead of supporting.

Rotherham No. 4 branch of the AEU did right to condemn Mr. Jones and demand from him, through the union's executive, to "retract his statement." The only pity is that our 'representatives' cannot be forced to resign.

At any rate those that censured him have food for thought now: there can be no real democracy unless the electors have the right to recall their representatives at any time. Censure without control means very, very little.

MR. HARRY DOUGLASS is the General Secretary of the Iron and Steel Confederation, a union 103,540 members strong. He "is one of the most significant members of the General Council (of the TUC)" according to the *Observer* (April 14). His views are doubtless shared by many of the other members of that body. But they are also shared by ninety-nine out of a hundred capitalists as well. (The one per cent. would prefer to use machine-guns on all union card-holders.)

Mr. Douglass considers that "sound investment should be the concern of trade unions equally with wages. . . . It is the duty of trade unions," continues this eminent exponent of co-existence and co-prosperity in industry, "to have concern for their respective industries, and the first essential for tomorrow's prosperity is sound investment today. This should be our concern equally with today's wages, for the wages of tomorrow will not rise or even remain at their present value in the absence of sound and plentiful investment."

I wonder what the motor-car workers in this country make out of this? Investment?—yes, they have seen plenty of that over the past few years: investment in plant, in new machinery and even in automation.

German scientists — contd.

made at the political, governmental level. To exercise any effective political influence over the application of their special work, scientists are finding that, like other citizens, they must link their special interests with the more general interests of large masses of people.

Thus, the eighteen German nuclear physicists have done what they could do, as physicists, to enlighten West German public opinion on certain

But they have also seen that the investment, "sound" as it was in capitalist terms, has led to a reduction in earnings, to unemployment and short-time working.

Doubtless Mr. Douglass is doing a good job in expressing these views. But for whom? I wonder. **He is right in saying that investment is a pre-requisite for increasing living standards; but a second, equally important pre-requisite is that the workers control investment and what it goes into.**

But of course the Douglasses of this world cannot advance such elementary ideas. After all, once the workers control investment and production they will be able to control trade-union bureaucrats like himself out of existence.

NOT ALL IS BONE-HEADEDNESS amongst union leaders however. J. Campbell, General Secretary of the National Union of Railwaymen has been campaigning in the columns of the *Railway Review*, the NUR weekly, for a radical reorganization of the British trade union structure in order to stream-line them for modern conditions.

What he suggests is one single union—an industrial union—for all railwaymen. Such a union would be able to bargain more effectively for higher wages and better conditions than a multitude of unions in the same industry. "Can it be denied" asks Campbell, "that there is greater bargaining power in combined strength?"

It is no accident that the head of a railwaymen's union is taking the initiative in pressing for industrial unionism. After the nationalization of the railways, the workers in the industry found themselves facing a single employer with three mutually jealous unions representing them. The need for unity was more apparent under such conditions than elsewhere. (It is a pity Campbell missed the best opportunity since the war by breaking NUR-ASLEF solidarity during the footplate-men's strike three years ago.)

Campbell answers the critics of industrial unionism who fear that the problems peculiar to the different crafts within the industry would be ignored, or that the majority craft would solve its problems at the expense of the lesser ones. He recognizes craft groupings within the new union structure, and believes that "there is nothing . . . to debar each of these groups from dealing with their own particular and domestic problems up to the stage when these problems become of general interest and cease to be of concern to one group only."

Dealing with the future railwaymen's union, as he sees it, Campbell thinks that "there would be four Group Executives elected in such a way from the membership in these groups as to afford fair and adequate representation. That would be the basis of organization and could be interpreted in this fashion right down to Branch organization."

Every trade-unionist should take note of these ideas. They do not apply only to railwaymen.

aspects of the implications of the decision of their government to form an "atomic army." By stating that they will take no part in implementing this decision, they have dramatized their views and the gravity with which they regard the issue. From here on, however, the decision of what to do about it is in the hands of the West German people, and that decision can at the moment only be exercised through the existing political parties in the next election.

WHAT WE STAND FOR

The Socialist Review stands for international socialist democracy. It opposes the exploitive system of both Washington and Moscow—the two rival imperialist forces which now dominate the world—and seeks to advance the ideas of a Third Camp which conducts a relentless struggle against both class societies.

It believes that—in the struggle against the reactionary policies of the Tories, against the power of the capitalist class & for the transformation of British society into one founded upon Socialism—a Labour Government must be brought to power on the basis of the following programme:

- The complete nationalisation of heavy industry, the banks, insurance and the land, with compensation payments based on a means test. Renationalisation of all denationalised industries without compensation. The nationalised industries to form an integral part of an overall economic plan and not to be used in the interests of private profit.

- Workers' control in all nationalised industries i.e., a majority of workers' representatives on all national and area boards, subject to frequent election, immediate recall and receiving the average skilled wage ruling in the industry.

- The inclusion of workers' representatives on the boards of all private firms employing more than 20 people. These representatives to have free access to all documents.

- The establishment of workers' committees in all concerns to control hiring, firing and working conditions.

- The establishment of the principle of work or full maintenance.

- The extension of the social services by the payment of adequate pensions, linked to a realistic cost-of-living index, the abolition of all payments for the National Health Service and the development of an industrial health service.

- The expansion of the housing programme by granting interest free loans to local authorities and the right to requisition privately held land.

- Free State education up to 18. Abolition of fee paying schools. For comprehensive schools and adequate maintenance grants—without a means test—for all university students.

- Opposition to all forms of racial discrimination. Equal rights and trade union protection to all workers whatever their country of origin. Freedom of migration for all workers to and from Britain.

- Freedom to all colonies. The offer of technical and economic assistance to the people of the underdeveloped countries.

- The abolition of conscription and the withdrawal of all British troops from overseas.

- A Socialist foreign policy independent of both Washington and Moscow

H-Bomb from page one

not only against nuclear weapons but against the very existence of a German army?

And the finality of the Bomb ensures that this struggle will gain maturity. Capitalism does not want to commit suicide—not if it can help it. A workers' Britain dismantling its armour need have no fear of British Capitalism. It need not fear US capitalism or the Russian bureaucracy: neither would dare destroy its allies together with its enemy, neither will invite retaliation from each other, nor from their own working class.

A workers' Britain can save mankind from suicide. We have the map of history unrolled before us—left to socialism, right to annihilation. The choice is ours.

If we want sanity to rule, we must go all out to fight the Tests, to fight the Bomb, to fight the arms budget. Every talk, every meeting, every demonstration and strike must bring home clearly how that Bomb contaminates and destroys our lives, even before it is used.

The Labour Party leadership has been forced to make concessions to rank-and-file unease. They must be forced to come out into the streets, into the picket-lines, to rally the people in a struggle for

No Tests
No Bomb
No Arms

to support our German brothers in their struggle for

No Tests
No Bomb
No Arms

to voice the desire of the world for

No Tests
No Bomb
No Arms.