

# MARXIST STUDIES

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## NEWSLETTER

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### THE GENERAL ELECTION

It is not the purpose of these short notes to attempt a comprehensive analysis of why - despite the apparent sureness of the Labour Party victory right upto election day - the Tories won the election. However, we would mention in passing that a very useful article in New Society of 2nd July is well worth study.

No doubt, for Marxists, the one question as to why the Tories won that is important is if the loss of support from some previous Labour supporters is an expression of an heightened consciousness or a loss of political consciousness. So far none of the evidence indicates the former hypothesis, but time may well do this. However, the crucial question is how one proceeds now.

Those on the left, who argued before the election that a victory for the Tories would make no difference, must now face upto the undoubted incorrectness of this view. Firstly, one has to look at the sentences handed out to the defendants at the Cambridge trial. Secondly, there is the change in army operations in Northern Ireland, with the widespread use of firearms by British troops for the first; and also the invasion and searching of the Catholic areas. Thirdly, it is clear that the Tories mean to press on fairly rapidly with an attempt to further shackle the trade unions and particularly the shop-stewards. Lastly, there is the question of the supply of arms to South Africa. These four aspects are merely indicative of changes that will take place as the Tories begin to develop their policies.

At another level one has to ask the question, 'is it once more necessary for us to go through a "reformist cycle" again? Already certain Labour M.P's. are making left noises, which indicates there will be an attempt to re-capture lost support in this way. Along with this the question of work within the Labour Party is once more posed. An interesting straw in the wind - which may or may not be indicative. - is a report of a particular Ward Labour Party meeting that took place after the election at which 22 people turned up, an unheard of number for some years and most of them young people.

The whole experience of the Labour Government indicates that a thorough/of the nature and role of reformism is once more firmly on the agenda. And it may be added that until this vexed question is clarified by Marxists there seems little hope of substantial gains for revolutionary politics within the working class.

We hope to return to this question in later issues and we hope that readers will take part in this discussion. Short articles or letters for the newsletter will be particularly welcome.

(We offered space to Robin Blackburn if he wished to reply to the article of Ken Tarbuck, but upto now he has not sent anything for publication. We hope that he will take up the offer since we would welcome a genuine exchange of views.)

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AUSTRALIA

The current left-turn of the Communist Party of Australia took a sharper turn at its recent national congress. Nine of the 38 member national committee were not re-elected. Those who were 'purged' included T.Wright, State Secretary of the Sheet Metal Workers Union and a founder member of the party; E.V.Elliott, Federal Secretary of the Seamans Union of Australia; E.Rose a labour historian; W.J.Brown, Administrator of the Trade Union Education and Research Centre.

It now seems likely that there will be a split inside the CPA and a pro-Moscow party set up. This will mean that there will be three 'Communist' parties in Australia, since there is already a Maoist party in existence.

Over the last few years there has been developing inside the CPA a current led by Laurie Aarons - the National Secretary - which has steadily moved to the left and has taken up positions on a number of issues independent of both Moscow and Peking. There has been a steady move towards support for such ideas of workers' self-management, and a critical appraisal of bureaucracy. The CPA denounced the invasion of Czechoslovakia in 1968, and has just recently decided to withdraw its permanent correspondent from Moscow.

One of the disturbing features of this left turn is that it seems to be being done at the expense of the CPA's trade union connections. Also it seems that although there have been a number of resolutions and statements made of a revolutionary character, there also seems to be developing some criticism from the left of the Aarons leadership for its lack of action on these.

We hope to carry a fuller report on the situation in Australia in a future issue. Those who would like to understand some of the background to the above should read "A Strategy for the Left" by Laurie Aarons 1/4d pp and "The Communist Party of Australia - Draft Programme" 1/10 pp both available from BMS Publications.

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Soviet Union - Slow Down in Economic Growth

Most leading industries in the Soviet Union showed a further slackening of the rate of growth last year. Farm output actually fell by 3 per cent instead of rising as planned. National income grew by 6 per cent, which is the lowest growth for a number of years. Growth in the consumer goods industries was ahead of 'capital' goods industries. However, there are still acute shortages of certain consumer goods. There is a growing demand which is reflected in the growth of money incomes faster than output. This has led to competition for labour and slower rate of growth of productivity as compared to earnings. It seems that the economic 'reforms' introduced in 1965 which has tended to give more power to plant managers has not been the success hoped for, and there is likely to be a re-appraisal of these 'reforms' in the near future.

Because of the conflict with China there seems to be an increase in investment in Siberia, and a consequent increase of population there. The Soviet Union has been seeking long-term loans from Japan for the development of natural gas, potassium, phosphates and copper mining in the area. Also two new power stations are under construction each with a capacity of 5000MW. As can be seen from the above, agriculture is still a key problem in the Soviet Union, this despite higher payments to the collective farms, large increases in investment and more widespread use of fertilizers etc.

## THE MOUSE THAT ROARED (?)

Following on from the 'debate' around the question of support or non-support for the Labour Party in the general election there is one item that needs to be noted. Despite calls for the extra-parliamentary left to disrupt the campaign of both the major parties it seems that either no one took any notice of this advice or those that did were so ineffectual as not to warrant any mention in any national newspaper.

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## ARMED ATTACK ON SOCIALIST WORKERS PARTY LOS ANGELES H.Q.

On 27th May a number of armed men burst into the SWP head quarters in Los Angeles. They forced the four people present into a back room where they were made to lie face down on the floor. Whilst this was being done others of the attackers went around the the offices breaking furniture and splashing petrol around. The attackers then set alight to the offices and made their get-way. The fire destroyed 3,000 dollars worth of equipment and 3,500 dollars worth of campaign literature. In the past two years there have been five attacks on the Young Socialist Alliance and the S.W.P. premises.

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## THE ECONOMY

Despite all the beating of big drums by Wilson during the election that the British economy has never been stronger, and a continual playing up of the improved balance of payments position, there remains serious doubt as to the truth of such talk. The Tories hammering away on the state of the economy during the election, which whilst obviously being part of their electioneering, had some basis of fact.

Firstly, on the question of the balance of payments, whilst during last autumn and winter there was a monthly positive balance of £10 million, this has now been changed into a deficit of £13m per month for March-May. Therefore, although the balance of payments had been running at the rate of about £600 million per annum this is unlikely to continue in the coming twelve months.

Of the three elements in the balance of payments, visibles (i.e.goods), invisibles (i.e. services, shipping, insurance etc.) and the long-term capital movements, only only the last two are in positive balance at the moment. Visible trade is still running at the rate of £150 p.a. in deficit; moreover the apparent increase in exports over last period has been largely due to increased prices rather than increased volume. Invisibles are now running at the rate of £480 million in surplus. Capital inflow, which was exceptional last year, was of the order of £50 million net, this is against a normal outflow of £100 million net. Therefore one can see that the balance of payments generated in the last twelve months are hardly likely to be repeated, even if there were no changes in factors affecting the situation.

But this is not likely to be the case, since there is now an open and admitted recession in the U.S.A. which is likely to affect British exports in the coming period. Moreover, recent figures tend to point in the direction of British imports once more rising faster than exports in volume and prices.

Internally also the outlook cannot be said to be much better. Gross Domestic Product is only rising very slowly, whilst prices are rising fast. Also in recent months due to militant action on the part of many sections of the working class there has been a comparatively big rise in money wages which will tend to have an inflationary effect upon the economy. Perhaps most significant of all is that manufacturing investment, in terms of GDP, is now only running at the rate of that of 1961.

The reason for this is not hard to find. With interest rates still running at historically high levels and the squeeze on profits engendered by the sluggish state of the economy it has meant that business men have been reluctant to invest in new plant when there is still excess capacity idle.

Regarding unemployment, while it is true that the June figures showed a drop in the total numbers, they still remain the highest June figure for thirty years. In consequence one can still say that the underlying trend for unemployment is still upwards. However, it should be noted that unemployment is not such a vital indicator as to the state of the economy as it was formerly. The reason for this is because of the higher rates of unemployment benefit and redundancy payments. These latter points have two effects, firstly from the point of view of maintaining effective demand in the economy at a higher level than previously possible with any given number of unemployed; and secondly they have tended to dampen down the fight against unemployment which the present figures would have seemed to have warranted in the past.

On the question of prices, it is estimated that they could rise as much as 9% in 1970. Similarly earnings are expected to rise by as much as twelve per cent this year, all things being equal. Therefore the present government has to face a problem very similar to that which faces the Nixon regime in the U.S.A., i.e. growing price inflation side by side with growing unemployment and industrial stagnation or a very low level of growth in the economy. This means that despite all the efforts of the Wilson Government British capitalism still faces many of the same problems as in 1964. Any action taken to stimulate investment and/or reduce unemployment could have the effect of re-inforcing the inflationary process. On the other hand measures to damp down inflation could have the effect of pushing the economy into a recession (which may happen anyway because of external factors). What this points to is that there will be a determined effort made to hold back wage increases either through a new wage freeze or the imposition of some new 'incomes policy' and at the same time give investment grants a boost.

All the above points to the possibility that the Tories will make 'trade union reform' (sic) a top priority, to enable them to push through economic measures which would probably invoke some response from the trade unions and certainly from the rank and file. At the same time one should expect efforts to be made to extend the introduction of productivity bargaining, which from the point of view of the bosses is much more preferable in the long-term to that of another wage freeze, because such bargains tend to whittle away rights of the shop stewards. Certainly one can also expect an attack on the social services and an attempt to prune the civil service. But it is also clear that even in these fields the Tories will have to tread warily, given the slender majority in the House of Commons.

Ken Tarbuck 29-6-70.

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