

CHARTIST

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VICTORY TO THE ENGINEERS!

With a haste that is almost indecent, the Tories are tackling the job of depriving workers of the right to resist their inflation-attack. This is the meaning of the £100,000 fine by the Industrial Relations Court on the engineers. The AUEW has been fined by the Tories who know that, if the union pursues its 40% pay claim, it will wreck Phase 3, and in all probability, the Tory Government. Quite clearly, the fine is a desperate bid to soften up the unions for the wages battle in the coming period and to bully the Trades Union leadership into acceptance of Phase 3.

Amidst these operations by Heath's mugging outfit, the behaviour of the T.U.C. leaders has been obscene. Their only policy is to keep on talking to walls at No. 10 Downing St, while Heath is busily destroying workers' rights. Still, the TUC wants to exert 'pressure' on the Tories. Still, they want to crawl to Heath to 'tell him their views' and still, they leave the working class unprepared for the coming showdown. Murray, Scanlon, Jones and Gormley—the men who said the Industrial Relations Act was 'on ice'—are carving out a path to massive defeat for the working class.

Fortunately, the working class is not afflicted with the spinelessness of its leaders. At least two key sections, the miners and engineers, are already in a pay fight with the Tories. Both of these claims are vital and both are in defiance of Phase 3.

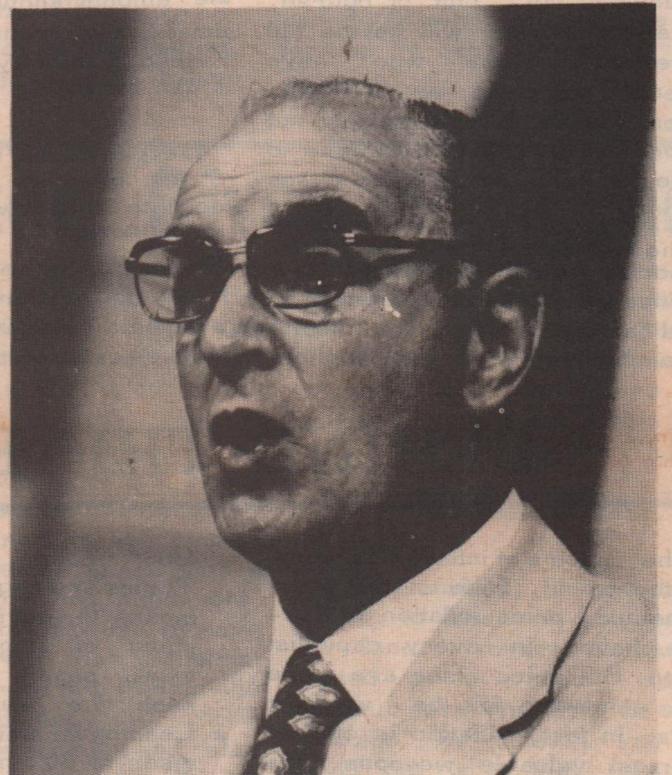
The engineers want £10 more on basic rates and a 5 hour cut in the working week. The miners have lodged a claim for increases of £8 to £13 which would bring

their wages up to £35 minimum and £45 maximum.

The question is posed: how are the demands to be won? There is little room for compromise. Moreover, the sort of compromise the Tories want would be little more than another label for a defeat. That is not to say that the leadership will not settle for minor concessions if they get the chance. In fact, they will readily take such a road in order to head off an all-out struggle.

Thus, it is of crucial importance that the rank and file of both the A.E.U.W. and N.U.M. demand that there should be no retreats on the full claims. To do that, these leaders must be told to stop collaborating with Heath and to prepare for a fight in which the whole trades union movement is brought into battle against the Tories. The employing class knows that the whole Phase 3 policy will be reduced to a heap of rubble if the miners and engineers win. Therefore, the only perspective on which the conflict can be won is one of linking up the wage demands and fighting to bring down the Government.

There is a willingness to do this in the ranks. Only the reformist and Stalinist union leaders are apathetic. They will ditch the full claim rather than face any prospect of a struggle for power. That is why we say the claims must be linked up, that joint strike committees and picket squads of miners and engineers must be formed and that the whole working class must be prepared for a General Strike to smash the Tories and everything they stand for. There is no other way to defeat Phase 3 and the Industrial Relations Act.



ABOVE: HUGH SCANLON,
A.U.E.W. PRESIDENT

The Engineering Union has been fined £75,000 by the Tory Government under the Industrial Relations Act. This was because the Union refused to call off a strike at Con-Mech Engineering, Woking—a strike for the basic democratic right of workers to belong to a union. "There is one law we cannot accept, and that is a law which jeopardises our very existence," Scanlon has said. A fine sentiment—but just how does he propose to fight this law? This Tory Government and those it represents have only retreated in the past when faced with a challenge to their very existence. That was the case during the great miners' strike of 1972 and the struggle to free the 'Pentonville Five'. It is even more true in this struggle today. Scanlon and his Executive should call a national one day engineering strike, demand an immediate recall of the TUC and insist that the entire trade union movement prepare itself for the possibility of an all-out General Strike and struggle for power as the only alternative to defeat.

SMASH PHASE 3 WAGE LAWS

The clear message of Phase 3 of the Tories' wage freeze is that their attack on working class standards of living are to be stepped up. On the surface, the maximum permitted wage increase of 7% will appeal to workers far more than the £1 + 4% maximum of Phase 2. But what will Phase 3 mean in practice?

Even if every worker were to receive the maximum now, it would not raise wages sufficiently to cover the 9% INCREASE in prices over the past 12 months. With yet another 50p weekly increase in council house rents last month, mortgage interest rates continuing to rise, the bakers promising even higher bread prices in the coming months, and numerous other increases in the pipeline, the immediate future guarantees that real wages will continue to fall. But of course, not every worker will get the full increase. Those who have recently received an increase under Phase 2 will be told not to be greedy, and will have to settle for less, or in some cases nothing.

The allowance for work during 'unsocial hours' has only one significance. It is an attempt to avoid a conflict with the miners this winter by providing a loophole

which will permit an offer in excess of 7%.

Under Phase 3, employers can agree to include a 'threshold' clause in every pay agreement, allowing for an increase of up to 40p per week for every rise in the cost of living above 7% after November 1st when Phase 3 takes effect. But employers are not obliged to include a 'threshold' clause, and 40p is the maximum, not the norm. The meaning of this is thus quite clear: The 'lucky' workers who receive the full 7% permitted will, if they are even 'luckier', receive an extra 40p for every 1% rise in the cost of living. For the 'luckiest' of all, if things work perfectly, they will be no better off than they were at the start! As for the reference to productivity increases the amount allowed is extremely small, and even this has to be ratified by the Pay Board, before it can be paid.

Despite Heath's claim that Phase 3 is intended to give a fairer deal to the lower paid and the pensioners, the real truth is that Phase 3 is a continuation of Heath's earlier wage freeze policies (and indeed the freeze policies of the last Labour govern-

ment!) The single aim is to increase the rate of profit of ailing British capitalism in order to increase its competitive position within the Common Market and on world markets. This can only be done by driving down the living standards of the working class. A mass of illustrations could show that Phase 3 is a fraud as far as the working class is concerned. To take only one: 625,000 people who earn over £5,000 a year will be entitled to a maximum of £350 a year increase under Phase 3. This would give a total increase of £220 million a year. In contrast, the £10 'Christmas bonus' to old age pensioners (7½ million of them) will cost only £75 million. Priority to the low paid?

Although he promised prospective home buyers a 'low' 8½% mortgage rate, which would gradually rise, Heath did not make it clear that if this is paid back later then the total interest payments would increase. On a £6,000 mortgage over a 25 year period, opting for the lower rate would add over £1,000 to the total cost—this on top of the £14,000 in interest which would normally be paid.

The cuts of £100 million in public expenditure come on top of

earlier cuts, and will be particularly severe in the education sector, where facilities continue to be grossly overcrowded, the staff shortage is becoming more acute and more and more students are being forced to squat or sleep on floors owing to the acute housing shortage and extortionate rents. Needless to say, the cuts will make the housing crisis even worse.

As we move into winter, bitter conflict between the government and the unions over Phase 3 seems inevitable. The miners and engineers have made it clear that they do not intend to back down on their claims. Despite the trial of the "Shrewsbury 24" on picketing charges, it is certain this will intimate the ranks of neither union. The lessons of the 1972 Miners' Strike are still fresh in many workers' memories: the Tories and their class may make us concessions, but only when we threaten them with the loss of their power if they don't. Neither the miners nor the engineers can win unless our whole movement is prepared to face the possibility of an all-out General Strike and struggle for power. But on that basis, a co-ordinated united opposition to Phase 3 could sound the political death-knell of Heath and the Tory Government.

BEHIND THE PRICE INFLATION SPIRAL

The spectre of inflation is haunting the world. Like a wild beast unchained, price inflation is reaping havoc in every capitalist nation. But price rises are more than a spectre for the working class. In fact, inflation is one of the most valuable weapons the capitalist class has to deprive workers and their families of their living standards.

Just look at the recent round of price increases.

- Fish, and especially cod, up.
- The fresh food index compiled by 'The Grocer' magazine is rising at 50% a year.
- Bread to go up from 11½p to 16p a loaf, whilst the 2 leading bread producers, Spillers—French-Holdings and Associated British Foods net in profits for 1971-2, £15,242,000 and £44,034,000 respectively.
- Petrol up 2p a gallon with predictions of 9p increases—inevitably to be passed on in fares.
- Meat prices to stay high, according to the Chairman of Europe's biggest meat company, Sir John Shotton, who had his salary increased by almost 50% (so much for the Tory Pay Board's 7% limit) from £37,400 to £53,433 a year, F.M.C. showed record profits of over £3 million doubling last year's figure.
- The 'Grocer' recently reported a record total of 742 rises in wholesale prices of food and household products.
- The Common Market's "dear

food" policy, in which the Tories are eagerly participating means the buying up and stock-piling of huge quantities of what, sugar and butter, to keep the market price high.

- Leading farmers are predicting rises of 50% next year in pork and other meats due to the rising costs of animal feeds.

Such are the glaring results of Tory policy, which is unashamedly broadcast by G.J. Godber, Minister of Agriculture, when he warned of "further significant rises in the price of food in the coming months". Add to this, the new rounds of rent increases under the 2nd stage of the 'Fair Rents' Act, mortgage rates of 11½% and rising interest rates, and the scene for the winter looks very bleak.

On the international arena, monetary chaos, competitive devaluations, mounting trade war, the collapse of the dollar as the basis of finance for world trade, and the rocketing price of gold and other 'hard' commodities, even soya beans, all provide incontrovertible evidence of the continued decay of capitalism on a world scale.

According to the Sunday Times Business News, September 30th, there is the prospect of "the further devaluation of the pound, which has moved down another 12 percentage points since this time last year." The continued floating of sterling means "the pound has been devalued by almost 20% since the Washington settlement of 1971", that is by 20p

in less than two years. This coupled with a balance of payments deficit of around £1,300 million, "three times the record 1964 figure" indicates the gravity of the crisis of British capitalism.

But what is behind the bogey of inflation? If we cut through the deliberate confusion caused by the Tories, their capitalist masters and the IMF member states, who blame high wages, world food and raw material shortages, floating exchange rates, and each other, we find the real roots of inflation.

Inflation expresses fundamentally the disparity and disorder in the money systems and economic ties between the capitalist nations. Each nation has a different rate and volume of production, and in order to finance exchange and trade, a universal currency has to be found, a universal measure and store of value. That measure in the period of capitalist expansion became the commodity gold. Gold was the universal value base for world trade right up to the crisis of the 1930's. After the Bretton Woods currency agreement of 1944, the role of financier of world trade befell to the dollar following the collapse of the gold standard. It was the over-supply of paper dollars to restabilise the shattered Western capitalist and Japanese economies, through Marshall Aid, after World War II, that helped lay the basis

for today's roaring price inflation. What has been happening in the last two decades is that paper dollars which were issued at unprecedented rates have been used to finance world trade which grew from \$750m in 1950 to \$5,000m in 1967, whilst gold reserves rose only from \$33m to \$40m. The bitter harvest of the artificially created inflation led boom started to occur in 1971 with the U.S. renouncing its pledge to exchange dollars for gold at \$35 an ounce.

In Britain, expenditure by the capitalist state and intervention in the economy also adds to the fires of inflation. Any government which bows to the power of the capitalist state by increasing taxation and international borrowing (between 1964 and 1968, British capitalism borrowed \$8,000m—3 times the level of the official reserves in 1964), must necessarily create a drain on the private sector to finance the public sector. State borrowing and an abundance of credit requires an increase in money if the nationalised industry programmes and bankrupt private enterprises are to be adequately financed. To increase the money supply (which at present is rising at 30% a year) without a consequent increase in production, obviously adds to the surplus of paper money over goods, and thus to inflation.

It is only at the expenses of the wages of the working masses that the Tories and their class can

INDUSTRIAL NEWS



A RECORD OF BETRAYAL

On Monday, September 24th, late at night, Jack Jones, T.G.W.U. chief, Hugh Scanlon, A.U.E.W. president and six other union leaders could be seen leaving one of the most exclusive West End restaurants - Quaglino's. They had just attended a meeting with spokesmen for the U.S. owned Chrysler combine to discuss, and no doubt drink and dine, the situation at Chryslers' Coventry plant where 156 electricians had been on strike for 6 weeks demanding a £5 per week rise.

The Tory Pay Board had twice ruled that the company faces prosecution if it concedes. Clearly a political battle against the Tory Government was the only way forward. Yet this meeting marked a new low in the deceptions of Scanlon and Jones. These 'lefts' give no political strategy for mobilising the industrial might of the engineering and transport workers in solidarity with the electricians, in an all out challenge to the Tories and their pay-laws. But even worse, they actually repeated their instructions

to the AUEW and TGWU members to continue working normally, and explicitly stated that they would not back the 'sparks'. To "work normally" meant crossing EPTU picket lines and using machines serviced by scabs. That was the content of the instructions of Scanlon and Jones which was also repeated on the eve of a crucial vote by 7,000 men at the Linwood plant in Scotland, who had previously shown a lead in supporting the electricians.

But the record of Scanlon and Jones over Chryslers is but one example of their treacherous role:

- On the issue of talks with the Tories, Scanlon persists in

wrangling and manoeuvring against the decisions of the AUEW and the 3 million strong CSEU which prevented his attending the TUC's 'discussions' with the Government. At Labour Party Conference,



JACK JONES

Scanlon violated the policy of his union by trying (in the words of the Guardian) 'to remit a motion calling for an end to the Downing Street talks.... in order not to embarrass the platform or to confuse the TUC'. Jones sat silently by casting the block vote of his union against supporting the motion to stop the talks.

- On the issue of nationalisation, it was Jones who enabled Wilson

to squirm off the hook on the demand to take over the "25". As the Sunday Times put it, Jones was "to save Wilson in his Hour of Defeat". Just when Wilson seemed to have no alternative but to bow down on the issue of the 25 monopolies, it was Jones who on the Sunday prior to the opening of Conference "decided to manipulate his million strong block vote in order to save Harold".

- In the face of an enormous £100,000 sequestration order made by the National Industrial Relations Court on the AUEW's assets, Scanlon and the engineers leaders are giving a repeat performance of the same hesitant behaviour which allowed the Tories to bleed the union of £61,000 over the Goad case. Whilst maintaining a policy of opposition to the Industrial Relations Act 'whatever the cost' Scanlon refuses to use the strength of the union in strike action to defeat the Tories and bring the Con-Mech dispute (the Woking strike which led to the fines) to victory.

But this is not the worst of it. As millions of workers prepare for further battle against the Government this Autumn, who can doubt what role will be performed by Jack Jones and Hugh Scanlon?

Liaison Committee Gives No Lead

Last month's conference of the Liaison Committee for the Defence of Trade Unions took place in a situation where the Labour Movement faces some of the greatest changes and challenges that have confronted our movement in its entire history. With the Tory government launching a vicious attack on the most basic democratic rights of the working class and a ruthless attempt to drive down living standards, this Conference should have addressed itself to the treacherous policies at present being pursued by the T.U.C. If it should have demanded an immediate end to the collaborationist talks with the Tories. The Conference should have demanded the initiation immediately by the leadership of a political campaign to prepare the working class for a general strike to bring down the Tories. Such a struggle would inevitably involve the question of power. The tasks of explaining and arming the movement for such confrontation with the capitalist state should have been one of the central areas of discussion of this Conference. Unfortunately, the most political demands on the Conference went no further than calls for solidarity with the "Shrewsbury 24", a day of action over the engineers £100,000 fine and a call for an 'all-out offensive' against the Tory government. Such was the policy of evasion followed by the Communist Party at this Conference.

NO OTHER WAY

It was attended by 515 delegates from union branches, shop stewards committees, district committees and trades councils.

The first speaker from the platform was Ken Gill from the AUEW (TASS) executive who spoke on the Industrial Relations Act and Phase 3. He said that the attack on the AUEW by the National Industrial Relations Court was an attack on the whole of the Trade Union and Labour Movement by the Tory government and pointed out that the period ahead was a crucial one for the movement. He concluded his speech by saying "no other road than industrial action, which freed the Pentonville 5, will finally destroy the NIRC and the Tory government and also all other of their agencies." He was followed by speakers from the floor. The first from Lambeth NUT who called upon LCDTU to build up local committees to carry on the struggle between conferences. He was followed by delegates from Glasgow District Committee AUEW and Cumberland Trades Council, both of whom pointed out the evils of the NIRC, Phase 3 and the Tory government, but not one of them gave any concrete proposals of how to deal with them. A delegate from Con-Mech spoke and asked the conference for support in their struggle where they had been locked out of their small engineering factory for fighting for union recognition. Derrick Fullick from ASLEF pledged support to the miners by declaring in the event of a strike by miners "that no oil or fuel trains will run on southern region".

"CINDERELLAS"

The next speaker from the platform was Graham Steel, (NUM Scotland) who argued that the miners were once again the Cinderellas of the movement.

The afternoon session continued with speeches from the convenor of Ferranti (Hollywood) and from the Belfast Liaison Committee's fraternal delegate before it was again thrown open to the floor.

MEANINGLESS

Unfortunately, no one seemed willing to discuss what needed to be done. General strikes were hinted at by some speakers, Labour government 'with socialist policies' by others, yet no one spelt out what they meant. In fact in contrast to the last conference, (called just before May Day), which played about with the idea of an all-out general strike without even spelling out its objectives, this one evaded the whole question, and simply called for "all-out industrial action." A meaningless phrase.

CROSSROADS

After a successful collection of £360, Ken Halpin wound up from the chair, with more calls for industrial militancy and a labour government with socialist policies and the whole conference dispersed with very little achieved. The Liaison Committee is now at the cross-roads representing, as it does, virtually all the key industrial militants. It is an extremely powerful and important body with a great deal of respect in the movement. However, as long as the Communist party and left wing bureaucrats who lead it, refuse to link up industrial and political questions and refuse to use their strength in a fight for power, then these conferences will remain not much more than interesting talking shops.

Valerie Veness
(NATSOPA delegate)

increase the rate of exploitation, increase real productive value in the economy and boost their flagging profit margins.

To combat rising prices, CHARTISTS demand:

- A RISING SCALE OF WAGES based on a WORKING CLASS COST OF LIVING INDEX, compiled by committees of housewives, trade unionists, tenants, pensioners and co-operators.
- For every percentage point increase in our own cost of living index, we must be compensated by an equivalent rise in wages.
- Our cost of living index must be constructed so that items much more essential to a working class budget are given great allowance—like food and rent.
- Finally, the COMMITTEES OF PRICES if they are to have any real power and effect, must be given the full backing of the TUC and Labour Party NEC.

Given such backing, these committees could begin to acquire real power in each area and prepare the way forward for the takeover of distribution itself. The struggle for the rising scale of wages and price committees must be just part of the struggle of the working class in Britain and internationally to take over and control the productive resources of the world. If our living standards are to be defended, there is no other way forward.

'Lefts' let Wilson off the hook



TONY BENN

The most radical and socialist Conference ever? Or a victory for the Wilson leadership on all the key issues? In some ways, BOTH interpretations of this year's Labour Party Conference at Blackpool are true. On the one hand Harold Wilson's escape from the specific commitment to take over 25 top industrial monopolies was only the latest example of his ability to wriggle out of a tight situation. However, he was not saved by the traditional right-wing of the Party, though this still dominates the Parliamentary Labour Party. The Right's support among the trade union rank and file and the constituency parties is now so negligible that they hardly showed their faces at Conference all week.

In fact, it was the 'left' M.P.s (Foot, Benn, Mikardo) and union chiefs (Jones, Scanlon), who really saved Harold's bacon and kept up the thin show of party unity. At least now they have shown themselves up in their true colours. At a time when the Labour Movement is showing itself increasingly ready for a showdown with the Tories and their whole crisis-ridden system, these leaders are at every stage trying to hold us back (under a smokescreen of militant socialist speechifying).

For this reason, the only motion actually supporting the National Executive Committee's "25 companies" proposal (it also advocated taking over the 250 major monopolies which dominate the economy), was lost by a 20-1 margin. However, this provoked ructions within the delegations of the big unions, and the support of nearly half of the local parties for this thoroughgoing programme is significant.

Thanks to the "Left" leaders, Conference passed in favour of public ownership only a vague resolution which could have meant anything plus a Right Wing resolution which clearly saw nationalisation only as a last resort. Labour's Programme, which includes the "25" proposal, was never actually voted on and Wilson made it clear the Shadow Cabinet would only select those bits from it that they agreed with. In order to get away with this, however, the party leader was forced into an uncomfortably 'left' posture, pledging Labour to take over land, drug firms, North Sea Oil, the ports, aircraft, shipbuilding and road haulage. The principle of taking over profitable companies was more or less conceded, and the new policy will no doubt encourage pressure for much more thoroughgoing measures in the ranks of the Labour Movement.

It was noteworthy that Tony Benn, up till now the firmest supporter of taking over the "25" was already prepared to give in to Wilson. Despite saying that if we do not control or own the big multinational companies, then "they will control and own us", he publicly opposed the one motion

with a firm commitment to take the "25".

The other most immediate matter which came up was the T.U.C. talks with the Government over Phase 3. Hugh Scanlon, moving the A.U.E.W. motion for breaking off talks, rightly said that "further dialogue with the Government is not only futile but also potentially dangerous." But his heart was obviously not in his task, since he then asked for his motion to be remitted (i.e. shelved). Fortunately, Ray Apps from Brighton, the seconder, refused to stand for this. He reminded the Conference that ANY prices & incomes policy could only serve the interest of big business and that the TUC should be mobilising to bring the Government down. The danger we face from the Labour Right was shown by Reg Prentice, M.P. and Postmen's leader Tom Jackson, who both claimed the low-paid should rely on a Government incomes policy, not the strength of the unions.

At previous conferences, it was possible for very radical resolutions to get passed 'on the nod', because everyone knew they would not be taken seriously. This year the chips were down, so every vote meant a hundred times more.

There was anger from the rank and file at the lack of support for Clay Cross council's stand against the Housing Finance Act. It was such that the N.E.C. was forced to accept a resolution criticising its own inactivity, and demanding the removal of all penalties imposed on the councillors by a Labour Government.

Nonetheless, the NEC rejected a call for similar help to non-implementing councils all over the country, and for the Party nationally to take up Clay Cross's example. David Skinner, one of the Clay Cross councillors and a delegate, attempted to get a motion passed binding Labour M.P.s to Conference decisions. But Michael Foot, former "darling of the left", was able to do a crafty job in confusing the issue and keeping the leadership's hands free. This is one of the key issues. Why bother to elect a Labour government if they refuse to put into practice Labour's democratically decided policies?

On the Common Market question, it was again Michael Foot who got Wilson off the hook with an emotional speech that continued the official fence-sitting line of re-negotiating the E.E.C. terms, and was completely nationalistic in tone. There was scarcely a phrase in Foot's contribution which Enoch Powell could not have said equally well—or better.

Foot opposed a resolution from Southampton which reminded delegates that it was a pipe-dream to think either that Britain could 'go it alone' or that Europe could be really unified otherwise than on a socialist basis. Most of the speakers had given the impression we were only against the EEC because we didn't want to be pushed around by a load of Frogs and Krauts. In fact, some of the big unions, undoubtedly under pressure from their delegations to make some 'left gestures', voted for Southampton's motion, which was only lost by the odd half-million votes out of 6 million plus.

Furthermore, Conference went against the NEC in calling for the unilateral renunciation of nuclear weapons by Britain—13 years after this issue split Labour from top to bottom, the resolution was hardly noticed. But a proposal to quit imperialist alliances like NATO and SEATO was heavily defeated. In general, the coverage given to international affairs was disgraceful: one afternoon out of the whole week. Ireland did not even get a look in.

The T. Dan Smith

Despite their frantic efforts to stave off the evil day, Labour's Shadow Cabinet are at last realising that the Poulson case is likely to swamp them shortly in a flood of earth-shattering revelations, taking away with it the Deputy Leader, Edward Short, as well as the Chief Whip, Bob Mellish. Thanks to a courageous campaign by Edward Milne, MP for Blyth in the face of a victimisation campaign cruelly organised from the Whips Office, the Parliamentary Party can no longer be relied upon to maintain its customary apathy or even direct complicity in the "cover up". Harold Wilson (and Ron Hayward, the Party Secretary) are writhing on the horns of a dilemma: whether to chance letting events (and Edward Heath) dictate their tactics, or to take the initiative in agreeing to a private Labour Party enquiry coupled with the immediate resignations of Short and Mellish from their respective Party Offices. Wilson has tried, in fact, to get Mellish to voluntarily relinquish the job of Chief Whip, but Mellish resisted.

Edward Short, who has been pushed by the frank Socialist Charter Briefing article at Annual Conference into publicly confessing that he tried to raise financial aid for T. Dan Smith (claiming, unconvincingly, that it was merely for friendship's sake and to pay off Smith's legal costs arising from the Wandsworth Trial), has still been far from honest with his parliamentary colleagues. He has neither disclosed the full extent of

One side of the threat to Labour is shown by the Liberal stampede of the middle-classes hard-hit by inflation. After the failures of a reformist Labour government this sort of thing could open up dangerous fascist-type developments. Labour has outlined a massive list of reforms in the social services, taxation, education, housing, etc—the overwhelming majority of which we would support. But their implementation under capitalism would depend on a prosperous economy and we can see already that in 1974 and 1975 Labour will come into office in the midst of an acute economic crisis (when else is it ever given the chance to govern?).

The terrible defeat in Chile hung over all of the debates at Conference. The tragedy had sunk in to the mentality of most of the more canny Labour leaders, but its lessons had not. On the contrary, those who had been proposing "more socialist" measures

now saw that they were playing with fire. Their fears were fanned no doubt, by the frantic opposition of the Tory press to even the mild reforms supported by the Conference. In addition, the Blackpool Conference was leaf-letted by the anti-nationalisation "Aims of Industry" group, fascist anti-immigration campaigners, and 'Red scare' merchants accusing Jack Jones of being a paid agent of Moscow subversion!

The party leaders have no strategy for dealing with the furious ruling class opposition to even their feeblest measures. Labour Weekly talks of a "determination to tackle the fundamental problems of a capitalist society with Socialist measures"—this muddled approach sums up their wretched confusion. Unfortunately, they were able to play on the delegates' desire for Party unity in the run-up to the Election to get most of the key questions shoved under the carpet. Only Eric Heffer, MP at least warned of the danger of

a Chile-style coup in Britain. He spouted vague notions about "democratizing" the armed forces.

So what is the balance on political forces within the Labour Party? It is still very unclear. While most of the results of the N.E.C. elections showed a certain move to the right (big votes for Denis Healey and Shirley Williams), the support for David Skinner and Ray Apps was significantly large. The left-wing "gut reaction" of many of the ranks remains confused because of the complete betrayal of the "Tribune" wing. This has left a yawning vacuum on the left. It

was the comrades around the weekly paper 'MILITANT' who found themselves to an extent filling this gap (much to their own surprise!). Almost every time the splits in the Conference came into the open, it was Militant's supporters from Liverpool, Brighton and Southampton who had to carry the banner for the fighting left.

This process will certainly continue, increasingly placing a tremendous responsibility on these comrades as the question of armed power—the question of the state and the army—begin to be posed. Already they are showing, however, that they are not going to stand up to the stress. Their refusal throughout Conference—even in their own meeting—to face up to the question of power already indicates a right-ward shift on their part compared with only a few years ago. They too will leave a vacuum just as the TRIBUNE group has done. For this to be filled, it is necessary to begin building a really revolutionary alternative leadership in the Labour Party, starting now. We have no time to lose.

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Affair: MELLISH AND SHORT TO RESIGN? BY RON HEISLER

his business dealing with Smith, nor explained the circumstances in which he got Whitehall approval for the Newcastle polytechnic and Scotswood Road schemes from which Gilbert-Ash, part of the Bovis group, eventually benefitted.

In 1963, Edward Short approached Newcastle Co-operative circles, asking them to provide risk capital for various ventures he and T. Dan Smith were engaged in.

the possibility of a T. Dan Smith bankruptcy which would cast the Poulson bankruptcy into the shadows. The police have obtained bank accounts, which in a bankruptcy hearing would be subjected to a minute analysis guaranteed to implicate at least half-a-dozen public figures.

As for Bob Mellish, the quasi-racialist M.P. for Bermondsey, he has known and admired Smith for many years. When he took over the leading position in the London Labour Party of chairman he depended very largely on Smith's ideas and comments on housing policy. In 1964, Richard Fletcher and Ellis Hillman, G.L.C., managed to get the Executive's initial support for a Direct Labour Consortium of Labour Councils to innovate with new rapid building techniques. Smith sped South to convince the Labour Group on the G.L.C. and the London Borough Committee of the impractical nature of a Consortium. His argument that O.S.B. (Open Systems Building) operated by private contractors was a far superior alternative clinched the argument with Mellish's friends on the G.L.C. Opposition to the Consortium was led by Michael Ward of Romford Council, an employee of T. Dan Smith.

Mellish also figures most prominently in the famous "parliamentary file" whose existence Muir Hunter QC, under extreme duress, was forced finally to deny.

Mellish had a key assignment in the Labour Government, with special responsibility for London housing. Mellish was the most vigorous proponent within the Housing Ministry of the idea of doing away with tenders for building contracts. Putting principle into practice, he authorised, against fierce civil service opposition, that the Doddington Road scheme in Wandsworth should be put out without tender.

After repeated complaints from Anthony Greenwood, Mellish was demoted to become Minister of Public Building & Works. However, coincidentally, even here Poulson was to flourish. Influential civil servants placed Poulson's firm on the register of approved architects and quantity surveyors. His most important job was the designing of the Royal Signals Training School in the Vimy complex at Catterick Camp, an invitation job authorised, we gather by Mellish. In 1969, the consulting engineers on the training school were Alastair McCowan & Associates, which was the title adopted by J. & L. Poulson and Associates on the 1st October 1970. Our requests at the Department of the Environment for further information have met with a barrier of unsurpassed official obstruction on the direction of Secretary of State, Geoffrey Rippon—yes, the Geoffrey Rippon who continues to deny that he played third leg in the Lambton scandal!

The campaign for an N.E.C. enquiry into the North-East Regional Labour Party has been gathering momentum despite the opposition of Short, Mellish and James Callaghan (a great friend of the Cunningham family, currently doing a "Maudling" for Sir Julius Hodge's shaky financial empire and who, whilst Home Secretary, placed every obstacle possible in the way of a police enquiry into Wandsworth Council). Nevertheless, the time has come for Harold Wilson and Ron Hayward to come off the fence and, instead of making pious speeches demanding full scale enquiries to be conducted by a Tory Government, to take positive action within the Labour Party to attack the cancer at its source.

Of course, there will be casualties—we know that three arrests are imminent in Chester-le-Street, that a leading personality in the Bovis Group will be charged, that the G&MWU is not the only Union involved (the Leeds offices Poulson designed were a joint venture by the G&MWU and USDAW). But if Harold Wilson wishes to create the impression that his administration was not the most corrupt since Lloyd George became Prime Minister, it is his responsibility to take concrete internal actions to dissociate the Labour Party from the sources of corruption.

T. Dan Smith's grip over Short even at this stage, never ceases to amaze. Sureties of £10,000 have been stood for Smith's bail in connection with his forthcoming trial. If the law permitted the Chartist would be happy to provide details of the extent of Short's contribution. Smith has been claiming financial hardship for some time, we gather. His costs at the Wandsworth Trial ran close to £15,000 and he subsequently has lost a lot of business including his directorship of Tyne Tees Television (and thereby hangs another tale!) The response to Short's financial appeal was so meagre that Smith felt let down by his old friends in both Houses of Parliament. He even remarked on Richard Crossman's stinginess, with some justice considering it was Crossman's view a few months ago that "Smith is an amiable rogue who must be protected and assisted at all costs."

With a trial to come which may cost Smith in the region of £20,000 unless he gets legal aid, there is



OK FOR THE FURNACES OF EUROPE GOES UP IN SMOKE BILLING FROM REFINERY AT HOMS, SYRIA, HIT IN RAID BY ISRAELI JETS



EGYPTIAN AMPHIBIOUS TANK SUPPLIED BY THE SOVIET UNION

MID-EAST CONFLICT:

WHY LABOUR MUST SUPPORT THE ARABS

As we go to press, a shaky cease-fire seems to have closed yet another phase of the Middle-East war. The outcome of the latest fighting is still far from clear. A few results, however, have emerged.

First and most important, the myth of Israeli invincibility has been smashed. Whatever the final cease-fire lines, the Arab armies have shown that they can fight. There is no reason to believe that next time—and there will be a next time—they will not do better still. This militarily changed reality

will have the most profound political implications throughout the area.

To the Arab masses—oppressed both by their own rulers and Western imperialism—it will be a source of hope and strength. There is an intimate link throughout the Arab world between the anti-Zionist struggle on the one hand and the social revolution on the other. The new ferment among the Palestinians, the strengthening of Pan-Arab sentiment, the embarrassment of feudal regimes such as King Hussein's Jordan,

the raised prestige of 'left' elements within states such as Syria, the hostility to US imperialism and the increased soviet presence—all combine to produce a new wave of nationalization measures against Western assets and give new impetus to the development of the socialist revolution throughout the Middle-East.

To the Israeli workers' movement the results will be more contradictory but no less valuable in the long run. A vital element in the development of any anti-

Zionist workers' mass party in Israel is the consciousness that Zionism offers no way out for the Israeli people. After the war-fever has settled down and Israel's youth and workers begin to suffer the economic consequences of the recent fighting this consciousness will begin to take root. If it leads even a small step closer to the fighting unity of Israeli and Arab workers in the struggle for a bi-national state of Palestine, it will have been one of the most precious gains of the recent war.

For Arab-Israeli Workers' Unity!

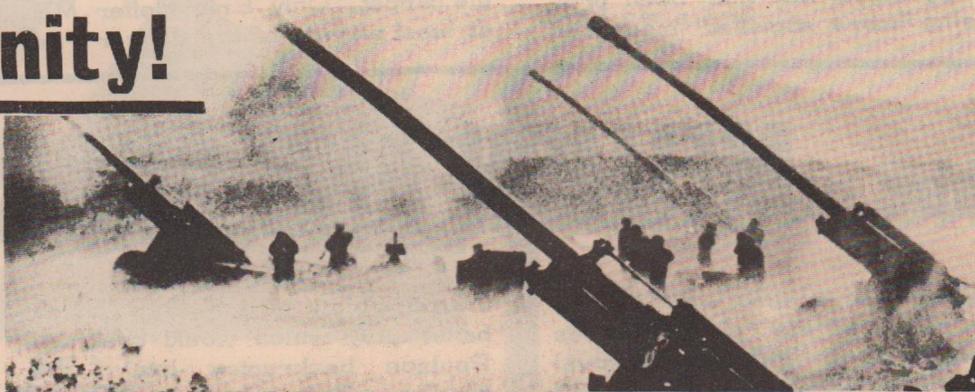
Harold Wilson has been attacking the Tory Government for its role in not supplying arms to Israel for use against the Arab states. In doing so, he has taken a position clearly to the right of even the Tories! Just as he has consistently defended American imperialist aggression in Vietnam, he is a consistent defender of U.S. imperialism and its Israeli client state in the cause of counter-revolution in the Middle East.

Our readers will not be surprised to learn that CHARTISTS support the opposite side. We do so not out of sentiment but for the most practical reasons. Because capitalism is a global system, it is not possible to defend the interest of our movement and class in Britain without defending them internationally, too. And in the correlation of class-forces on the world arena today, there can be no doubt that Israel represents imperialism, while a victory for the Arab armies would be a blow struck for the working class and for oppressed nations throughout the world.

The Israeli state is based on the philosophy of Zionism. This arose as a counter-revolutionary ideology among certain Jews particularly in Eastern Europe, in the later 19th century. Thanks to German fascism and Stalinist anti-Semitism this 'Jews go home' movement eventually became an irresistible force among the mass of persecuted Jews themselves. The imperialist powers then cynically used the Jews to establish a bridge-head against the threat of revolution in the Middle-East. The Israeli state was founded on the expropriation of the Palestinian nation, with the full support of American imperialism which wan-

ted a reliable well-armed watchdog in the area to threaten the Arab states and help prevent its vast oil interests from falling into the hands of the Arab people. The fact that many Jewish idealists sincerely believed that they were building socialism in Israel is beside the point. No nation which oppresses another can ever itself be free. Israel's very birth was based on an act of brutal oppression against the people of Palestine, who were violently robbed of their land and possessions and live to this day in squalid refugee camps in the desert. No amount of delusion or self-delusion as to the 'socialist' nature of Israel can alter the fact that the whole state is utterly dependent on the lavish backing of U.S. imperialism without which it could hardly survive a month.

But are not the Arab states more reactionary still? This is always the retort of even the most "left-wing" defenders of Zionism. They forget, however, that it is precisely Israel and U.S. imperialism which buttress all that is most reactionary in the Arab states, that it is the most feudalistic, monarchistic and backward Arab regimes which back-pedal hardest against war with Israel and that those states to the fore in this war are those which have achieved most in destroying feudal institutions and nationalising the economy. The point is that the struggle to smash the Zionist state is inseparable from the struggle against those reactionary Arab regimes whose survival is dependent on Israel as the linch-pin of the Middle-East 'status quo'. Every military reverse for Israel is a boost for "leftist" states such as Syria (whose economy is almost wholly nationalised) and an embarrassment for "moderate"



A BATTERY OF HEAVY ISRAELI GUNS FIRING AT SYRIAN ARMY POSITIONS ALONG THE GOLAN HEIGHTS

states like Jordan (royalist and Feudalistic to the core). A crushing defeat for Israel would unleash a revolutionary ferment throughout the Arab world in which not a single one of the existing reactionary regimes would be secure.

But what about the Jews? Wouldn't they be driven into the sea? Haven't they got national rights as well?

In the light of all that they have suffered, the fears of the Jewish people are more than understandable. In this case, however, they are groundless. Of the many factions and tendencies leading the Arab struggle today, not one has any intention of trying to drive the Jews "into the sea". All, one way or another, recognise that the Jewish people have certain rights in the area. What they do not recognise is the "right" of Jews to subjugate Arabs. But the Zionist state is based on this "right", which is written into its very constitution. For the Arab revolutionaries to recognise this state's right to exist, therefore, would be a betrayal. A state however, is not the same thing as a people. The Israelis in Palestine would certainly have inviolable rights to live and work in this area—but only once the Zionist state machine which

oppresses the Palestinian people had been destroyed.

The only answer to the problem of the Middle-East is the unity of the Arab and Israeli working class. The greatest burden on the development of the revolution in the area is the fact that the Israeli working class is so lacking in consciousness and independence that in a sense it still scarcely exists. The victories of Zionism over the Arabs have had the effect of convincing Israeli workers that their interests are the interests of "the nation". The recent war will only have intensified this false identification of interests. A military defeat for Zionism's armies, however, would set in motion a train of developments leading to an awakening of the Israeli working class. Economic crisis, splits in the ruling class, and a growing awareness among Israeli youth and workers that Zionism could offer nothing but ultimate catastrophe—these would eventually combine to produce a really class conscious mass movement of Israeli workers for the first time. It is the duty of Arab revolutionaries to pin their faith and base their strategy on the ultimate fusion of their own armed struggle with the armed anti-Zionist struggle of the Israeli working class. Victory against Israel in the recent war would have been only a step towards this goal.



Left: Hitler with his generals.
Above: Police clear way for British
Fascists in London's East-End.

Part I of a Two-Part Series

THE RISE OF HITLER *by PETER GOLD*

Fascism is a product of capitalist crisis and the price paid by the working class for the treachery of its leaders. The crushing defeat of the Chilean workers is the gravest warning to the British Labour Movement. In an orgy of violence, the Chilean fascist junta has set about its grisly task of decapitating the workers' organizations. As in Nazi Germany, thousands are being rounded up, murdered or thrown into concentration camps. Trade unions and workers' parties are illegal, while bonfires are stoked up with 'Left' and Marxist literature.

The significance of this cannot be understated because the British ruling class is getting ready to tread the same path, preparing all the paraphernalia necessary to such a task. Why else repression in Ulster, anti-picket squads, armed Special Patrol Groups, dawn raids, conspiracy laws and harassment of workers?

As in the 1920's and 1930's, capitalism is proceeding to a 'hot' solution to its crisis through the imposition of the most brutal forms of dictatorship. The employing class in Britain is fully aware that it might have to follow the precedents set by Mussolini and Hitler. Hence the constant references to the Weimar Republic in the editorial columns of papers like *The Times*. The lessons of Weimar and the rise of Nazism are not less vital to our movement, for fascism led to the massacre of the German workers and the murder of millions in the second imperialist World War.

GERMANY AFTER 1918

The year 1930 witnessed the total transformation of German society and marked the start of the most serious crisis of world capitalism. Three years later, the victory of

Hitler was a catastrophe for the international working class.

Since the military defeat of 1918, German Big Business had been in acute disorder. Denied her colonial possessions and forced to pay enormous sums to France and Britain in reparation for the war, Germany was ripe for revolution. There was no shortage of attempts. What was lacking was a revolutionary leadership — a defect for which the revolutionary working class was to pay dearly.

In 1918, the German workers, inspired by the Russian Revolution, stood at the threshold of power. Only the treachery of the Social Democrats, backed by the extremely reactionary Army officer clique, saved capitalism. Murdering the leaders of the German Communist Party, Karl Liebknecht and Rosa Luxemburg, and suppressing the workers' and soldiers' councils, the capitalists were able to install a bourgeois republic by using the reformists and holding the armed might of the State in reserve.

All over Europe, the reformists acted as brokers in betrayal, but it was in Germany that their role was most odious. Their treachery actually intensified the economic crisis because they had no policy or solution of going beyond capitalism.

The intensification gathered pace in 1923 when the Versailles reparations settlement began to affect the Germany economy. Germany could not pay — the Mark was highly inflated — and France responded by occupying the heavy industrial area of the Ruhr. This caused the complete collapse of the Germany monetary system. The Mark exchange rate in January 1923 in US dollars increased from 10,000 to 200 million. In the same period the price of the humble loaf of bread shot up from 250 marks to

1,512,000 marks. Wages were worthless. Money ceased to have any value.

The classes were thrown into turmoil. Mass strikes broke out and the Communist Party was thrust into a position of leadership. However, it wavered and lost a golden opportunity to take power by calling for, then cancelling, an armed insurrection. The tide of revolution ebbed and the cardboard Weimar Republic survived.

The defeat of 1923 was the key factor in the period of stabilization between 1924 and 1929. Aided by the American capitalists, who poured in billions of dollars under the Dawes plan, German capital passed through a period of relative expansion. To repay the Social Democrat traitors, the ruling class afforded the workers various concessions like universal suffrage and the eight-hour day. Trade union membership leapt to 5 million and the working class was able to recuperate from the setbacks of 1918-19, 1921 and 1923.

THE ROLE OF STALINISM

The real basis for the disaster of 1933 was taking place in Moscow, where from 1924, basing itself on the defeats of the working class, the bureaucratic, conservative faction of Stalin fastened its grip on the apparatus of the Soviet Communist Party and the Communist International, which represented the centralised leadership of the world socialist revolution.

The defeat of the British General Strike in 1926 and the Chinese Revolution of 1927, for which the Stalinists were responsible, further strengthened world capitalism.

The Communist Parties of the world were transformed into

instruments of Soviet foreign policy and the theory of 'Socialism in One Country', reflecting the pressure of imperialism on the young Russian Workers' State, replaced Lenin's programme of world revolution. In line with the new policy, the C.P.s were purged. Leaning on the right-wing of the Russian C.P., Stalin was able to defeat the Left Opposition and cause the expulsion of Leon Trotsky, leader of the October Revolution and founder of the Red Army. This victory of Stalinism was a mortal blow to the world working class.

Shortly, however, a new turn was made to coincide with the requirements of the Stalin bureaucracy. With agriculture and industry in disarray, the bureaucracy embarked on a course of forced collectivisation of agriculture and industrialisation. This meant a fight against the right-wing on whom Stalin had relied. Internationally, it meant a suicidal ultra-left turn in which the C.P.s were purged again and the Social Democrats were described as 'Social Fascists' and as 'The main enemy of the working class'.

In 1929, the Wall Street crash occurred and international capitalism was plunged into an insoluble crisis. German capitalism was worst affected. The German capitalists lost no time in attacking the working class. They encouraged the Hitler fascists, financed and armed them. In the face of this monumental crisis and the capitalist offensive, the workers' united front against fascism and the conquest of power as a strategy for the defeat of fascism were placed squarely on the agenda.

How the policy of 'Social Fascism' affected the struggle against real fascism, we shall examine in our next article.

young socialist NEWS

POLICE TERROR PROTEST



Militants from the Black Workers' Movement lead an impressive protest through Brixton earlier this year against the savage police attacks on black youths at the Brockwell Park fair and the thuggery of the special patrol groups. Chartists defend the right of black organisations to organise black people against racist attacks. The growth of the National Front makes the fight against racism an urgent priority for us now. The racials are agents of our class enemies. If it's the blacks in our ranks they pick on today, it will be the Irish tomorrow and the Jews after that. Behind the "Front" stand property-speculators, landlords and employers. They want us workers to fight each other so we've no strength left to fight against them. Don't let them split us!

YOUR YS BRANCH

For details of activities write to
Brent East: Kevin Knight, 7 Park View, Olive Rd. NW2
Norwood: Paul Moore, 61 Selsdon Road SE27
Streatham: Elaine O'Neil, 47 Amesbury Avenue SW 2
Vauxhall: Kevin Moore, 170 Wandsworth Road SW8
Woolwich: Phil Elliot, 82 Woodhill SE18
Rotherham: John Connelly, 22 Bradgate Road, Rotherham, Yorkshire.

It's time you had a read of the brand new

SOCIALIST CHARTER

10p

YS HOCKEY



Our pictures feature the YS hockey contests organised on Brockwell Park, South London. Left: the winning team. Right: John Quirke and Kevin Moore move in for the kill.

YS NEWS ROUND-UP

Young Socialists Demand Enquiry on Short

Norwood YS are expected to call for a Labour Party enquiry into Edward Short's alleged implication in the Poulson scandal. Peter Ananicz, Chairman of Norwood YS, told Young Socialist News: "The North East region of the party needs looking in to. Short and Mellish must have a chance to clear their names. I have been under pressure from comrades who can smell a rat. They think the allegations could be used by the Tories to discredit us in the pre-election period. I feel very bitter against Wilson who calls for an enquiry precisely to avoid his own

responsibility to deal with this sordid business."

"Tory system boosts Lambeth slum misery" read one of the placards when the Norwood YS staged a noisy demo outside a Tory dinner at which Paul Channon, Tory Housing Minister, uttered a few words.

Over 100 people raved through Lambeth YS's Disco dynamite on September 20th. Whispers about the Poulson scandal could be heard even above David Bowie.

DEFEND DAVE DOUGLASS!

The trial of Dave Douglass, Young Socialist, suspended from the party because the bureaucrats could not stomach his revolutionary socialist activism is on 17th November at 2.30pm, Oddfellows Hall, Boothferry Hall, Goole. Join the lobby—starts 2pm.

BONFIRE

Fireworks and Folksongs at the Proletarian Bookshop 289, Station Road, Dunscoff, Doncaster. Nov 10th. All socialists welcome. 9pm. Featuring the Red Star singers.

BONANZA

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