

# CHARTIST

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## IT'S A FIGHT TO THE FINISH!

BRITISH CAPITALISM IS NOW IN THE THROES OF WHAT TORY Chancellor Barber has called "by far the gravest crisis since the end of the war." "We are walking on the edge of a precipice," the President of the Confederation of British Industries has declared: "We can see what lies at the bottom.... Mass unemployment and a pound sterling which shrinks in value like a deflated balloon."

Events bear this out daily. Remorselessly the pound declines on the money markets. Share values sag. The trade deficit soars. The oil crisis dislocates industry while prices accelerate upwards. British capitalism can no longer compete as the world trading system plunges into recession.

### Sinister Plans

Confronted with this crisis, the Tories are ready even to strangle the economy in order to split the miners from the railmen and engineers, impose a shattering defeat on the trade unions and seek a solution to their profitability crisis by means of wage-cuts and mass unemployment. Behind the budget, the battery of Emergency powers and the three-day week stand still more sinister plans. The police are being armed, special constables are being recruited, "red scare" tactics are being devised—all in cold-blooded determination to smash us in the event of a General Strike.

### Imprisonment

The imprisonment of trade union militants has already begun. Three building workers were gaoled last month for from nine months to three years.... for the crime of picketing! Meanwhile the TUC's Len Murray describes Tory mass dole-queue threats as a "despairing wail", and Harold Wilson urges an end to the miners' overtime ban in a "one-nation effort to conquer our problems."

Like Nero, these men fiddle while Rome burns. The struggle is on—despite them. CLASS AGAINST CLASS! That is the position now. The Tories have decided on a collision course. There is only one answer: we must meet them head-on.

Why do our leaders refuse to recall the TUC and Labour Party Conference NOW? Because they know that such steps would unleash a struggle for POWER. Yet already the issue is posed—which class, workers or capitalists, is to rule?

Militants must understand:

- Any fixed pay-rise is now made virtually worthless by the roaring inflation. Into every agreement from now on must be written a guaranteed monthly adjustment upwards in accordance with the cost of living as determined by our own working-class organizations.
- The three-day-week is an attempt to impose wage-cutting and split the working class. Massive redundancies are already under way. They must be answered by mass factory sit-ins under the demand: Work—OR FULL PAY. Through such occupations—regardless of power-availability—we must prepare the take-over of all industry.
- All demands must have as their core the fight for power. We are in a pre-revolutionary situation. Miners, railmen and engineers must launch a Triple Alliance for co-ordinated battle against the Tories.



Lawrence Daly—and the Law.

- Heath's election blackmail must be met head-on. Labour must take this golden opportunity to mount an all-out campaign to win an election on a clear-cut socialist programme—using the present demonstration of capitalist bankruptcy to mobilize our movement for the take-over of all finance and industry.
- Our Labour and union leaders must EITHER be removed immediately, OR mobilize the many-millioned strength of our class to form mass representative Councils of Action to ensure that in a General Strike situation our class has support among the Army ranks, is defended with mass picket squads and is in control of communications, food supplies and so on.

The Tory system is doomed. But it will not collapse automatically. Now is the time to destroy it by building a revolutionary leadership to seize state power. In this way alone can we ensure that it is not our movement which is destroyed.

STATEMENT BY THE NATIONAL COMMITTEE OF THE SOCIALIST CHARTER

# FOR A JOINT COMMAND OF THE REVOLUTIONARY ORGANIZATIONS!

WHATEVER the immediate outcome of the miners' dispute, and whatever the modifications of the Arab embargo on oil, recent events in Britain can be interpreted in only one way. With the new year, we have entered—decisively and irrevocably—a full-blown pre-revolutionary period.

## CLASS WAR

The Tories' imposition of a mass lock-out represents an open declaration of class war. As this statement is being made, hundreds of thousands of workers are being made idle, thousands of firms are closing, some never to open again.

## SYSTEM AT STAKE

The price of holding out against the miners has been estimated at EIGHT HUNDRED TIMES the cost of conceding their full claim. Does this mean, therefore, that the Tories are making some colossal "mistake"? To think that would be a dangerous illusion. If our rulers are prepared to go to such lengths to brow-beat the miners, it is because they have to. It is because the survival of their system is now at stake.

## PREDICTION FULFILLED

Even without the oil embargo, and even without the miners' claim, the balance of payments deficit in recent months has been soaring to the unheard-of annual rate of £3,000m. In the May 1973 issue of the CHARTIST, when the Tories began crowing about their economic "boom", and the leaders of the labour movement were joining in, this paper warned:

"Terrible dangers face us all if we place any confidence in our supposed "leaders". The current "boom" will prove the shortest and most disastrous ruling class illusion in recent memory. Next year will see a drastic reversal of Government policy, with massive lay-offs and cuts in consumption and state expenditure in a desperate attempt to stem imports and right the balance of payments."

## BANKRUPTCY

The present measures do not reflect merely the caprice of the oil-sheikhs—whose oil-price policy is itself only an outstanding expression of the explosion in world raw-materials prices generally. Neither does it reflect any outstanding militancy on the part of the miners, whose modest wage-claim is only an attempt to recover some of what has been

robbed from them since their last strike victory in 1972. The mass lock-out reflects the intrinsic economic bankruptcy of British capitalism which—given the collapse of the global post-war "boom"—can no longer afford any wage-concessions at all but must drive DOWN living standards in order to survive.

## OUR RECORD

The SOCIALIST CHARTER, despite its small size, has been the only organisation in Britain to predict this crisis in time and to define it with accuracy. Since the 1972 miners' strike—alone of all British organizations on the left—we warned that we were entering a pre-revolutionary situation. Alone, we have fought the trade union leaders with the demand: "Prepare for the General Strike!", insisting that the task facing our movement was to prepare a direct struggle for state power. Alone, we have tackled the issue of all issues in this connection, and carried out work—within the limits of our capacities—to secure trade union rights for soldiers. We are proud of our record. But the fact that we were alone on all these counts only indicates the terrible crisis of leadership of our class.

## GENERAL STRIKE

The tasks facing us now are becoming literally overwhelming. We are confronted with the possibility of a General Strike within the coming year—possibly within the coming months or even weeks. But a General Strike is a terrible weapon for those who are not prepared to handle it. It means that we challenge the Constitution and the Government. We must be prepared to face the troops being brought in against us. If we are to avoid being crushed for a whole period, it means that we must prove stronger even than the state itself, destroy it and take over its power. And where is the leadership for such a task?

## 'LEADERS'

Harold Wilson—calling for "one nation"—has sided openly with the Tory Government. The TUC leaders are still begging for capitalist "growth". The Communist Party has no perspective beyond "pressuring" a future Labour Government "to the left". The self-styled "Trotskyist" groups are outbidding each other in denials that the need to seize power is posed. Under any of these leaderships—whether right social-democrat, left-

reformist or centrist—a General Strike would be no more than a fiasco.

## OPPORTUNITIES

Yet without delay, action must be taken. The preliminary stages of a General Strike situation are already beginning to arise. And we must be quite clear: even if such a strike broke out within weeks, there would be no objective reasons—despite all the dangers—why our class should not win. Indeed, far from being something to be afraid of, the present situation opens up undreamed-of opportunities for the organisations of the revolutionary left.

## UNITED FRONT

The CHARTISTS propose to our fellow-"Trotskyist" groups—and they have still time to change course—immediate steps towards a UNITED FRONT. The differences between us are immense, but they are LESS than those dividing the right and left of Lenin's Bolshevik Party in the early months of 1917. The touchstone for unity must be the preparation of our class for the taking of state power. Once there is agreement on this simple issue, a JOINT COMMAND OF THE REVOLUTIONARY ORGANISATIONS must be established. This would—as conditions demanded—take preparatory steps to actually launch the struggle for state power. It would leaflet soldiers, organise picket-line defence, help initiate plant-occupations, establish action committees, food-distribution committees and so on. Immediately such a command had been formed, a joint approach to the Communist Party could be made to enlist its members' enormous potential and industrial support. In the event of an agreement being secured—and the Party's ranks would want this—a powerful joint approach could be made to the Labour Party which it would be difficult for the reformist leaders to ignore.

## POWER

In the period leading up to the Russian October revolution, writes Leon Trotsky in his "Lessons of October",

"The fundamental question, on which everything else turned, was this: Whether or not we should struggle for power; Whether or not we should assume power."

We are now in the period leading up to the British revolution. Once again, the issue of power is becoming the fundamental issue on which all else will turn.

JANUARY 1, 1974.

## Stalinist Scabbing

Frantically preparing for a miners' strike, the Tories, via the Central Electricity Generating Board, have ordered a million tons of coal from the Polish and U.S. Governments. For stalinist Poland, this is nothing new. Imported coal was used to break the strike by Spanish miners against the fascist regime in 1970. The same year, this 'socialist' state sent cement to help break a strike in Ireland.

So far the NUM has only sent a letter to Polish and

American unions calling on them to shut off all supplies. But it has not organised pickets to stop imports nor approached the dockers to black scab coal. Several Stalinists inhabit the NUM executive. All have been silent on this issue.

We CHARTISTS urge all Communist Party members and all miners to speak out against this scab policy of the Polish government—and to demand that the Communist Party leadership states its position on it.

## An Interested Party

"...even though the time in hand is desperately short, we should now be actively at least registering, if not enlisting, voluntary reserves willing to help our hard-pressed security forces to uphold the basic daily life of the community, whose stability is now so clearly threatened."

So wrote Sir Frederic Bennett, Tory MP for Torquay, to the Sunday Telegraph on December 16. At the last count, this man was, among other things a director of: ARAWAK Trust Co. Ltd., Commercial Union Assurance,

Gilbralter Building Society, Kleinwort Benson Lonsdale (Merchant Bankers), Marine Midland International Corporation, Marine Midland Overseas Corporation, Sir Lindsay Parkinson (Engineering), Squibb A/S (Pharmaceuticals), Olin Mathieson (Engineering), Harlech Television and Wessex Development Ltd. (Broadcasting). In his spare time he is also a Lloyds Insurance broker, a landowner and owner of Kingswear Castle in Devon. Need one say more about who he is interested in helping?



Clash at Saltley Coke Depot, Birmingham, during 1972 Miners' Strike



## INDUSTRIAL NEWS



down has increased much further since then. At first, the effect was to split the Tories. But now, realizing that there can be no retreat, they have reverted to the hard line. This was summed up by leading Tory Minister Prior, who told the radio that "It would be quite inconceivable to allow settlements outside Phase Three and we have no intention of doing so." The same day, the Sunday Telegraph laid down the line.. "This is not just another cosy pay dispute which can be ironed out with a little give and take on both sides. The party is over in every sense. The words "recession", "slump" and "mass unemployment" are once again taking shape and substance and all too solid flesh." The straw which Gormley and Co. tried so hard to grasp has been taken away. The Tories have decided on a clash which no amount of Pay Board consultations can eliminate.

### Challenge

The imposition of the three day week is a challenge to the whole labour movement. The Tories' next step will be a vicious attempt to split the working class against the miners in order to prevent a General Strike situation in which miners, railmen and engineers would challenge the existence of the Government. In that situation, there is little doubt that a ballot of the NUM membership—which both right and left of the leadership

fear—would decide for a full-scale strike and struggle with the Tories. With prices rising at an annual twenty per cent, state control of wages and a major slump developing with mass-unemployment, the wages issue is, in a sense, secondary. The actual survival of trade unionism is now at stake. The Tories have prepared their forces. Adverts for the Special Constabulary were placed in many papers on December 31. Polish and US coal is being imported to break the miners' strike.

### Class War

To meet this offensive, labour and union leaders must immediately quit talks about "saving the nation" and place our movement on a class-war footing to remove this Government and struggle for power. The crisis is that of capitalist bankruptcy. The Tories are relying on the treachery of the Labour and union leaders. Every union branch and Labour Party must demand that these leaders prepare NOW for a General strike to bring the Government down. The Tories have opted for all-out class war. Our movement must be no less prepared. Leadership is decisive. We say to Wilson, Gormley and Co.: Fight to smash Phase Three, the Three-Day-Week, and prepare to strike to destroy Toryism once and for all—or get out of the way and make way for those who will. **GRAEME ATKINSON**

# MINERS MUST WIN!

FOLLOWING INTENSE pressure from the Tory Government, new talks between the miners' leaders and Coal Board chiefs have taken place. By indulging in these negotiations—despite the clarity of Heath's Phase III intentions—Gormley, Daly and McGahey have endangered the fight for the full claim. The talks are the product of six weeks of frenzied Tory activity since November 10 when the press fired the first shot in an hysterical effort to lay the "nation's ills" at the miners' doorstep. This exercise gathered momentum on November 13, when Heath organized a presidential-styled briefing for the press. Taking cue, the press, TV and radio commenced a well-orchestrated "blame-the-miners" operation, with Labour's right wing eager to join in. The key note was the suggestion that the miners were "on strike." Sterner stuff was required, so, on December 3, Whitelaw—Tory overlord of Ulster—was drafted in as Employment Secretary. To leave nought to chance, the Government added new legislation to

its already-bulging arsenal of powers. By December 14, the crisis was so deep that Heath declared the three-day-week, and on Monday December 17, a mini-budget bristling with recessionary measures was introduced. The aim? To whip the miners into line and force a Phase Three agreement. The miners' leaders, under pressure from Wilson and the TUC, fell into the trap. Four days after Barber's budget they trundled along to meet Whitelaw and the NCB. Further meetings have taken place to see whether "any more can be scraped out of the barrel". There has been speculation that concessions might be made on payment for time spent at the pit-head before and after shifts.

### Hard Line

The Tories' phoney "conciliatory" policy stemmed from revelations that the overtime ban was having a stunning impact with four million tons of production lost, and stocks standing at thirteen million tons by Christmas. This run-

# A.S.L.E.F. DISPUTE: NO RETREAT!

As the present industrial action develops against the Tory Government and its Phase 3 policies, ASLEF's dispute becomes of key significance, particularly in view of the delay being caused to coal trains during the miners' overtime ban.

ASLEF's action comes after nearly two years of talks and negotiations on a new wages structure for train drivers and secondmen, who consider that since the change from steam their wages have not been appropriate to the type of work they are increasingly having to perform.

### Critical

Trains already travel at up to 100 mph on many sections of line, and with this increase in speed, the degree of tolerance on speed restrictions has become more critical.

The increase in speed has also led to drivers having to learn

more routes and types of locomotives. Whilst the drivers have been increasing their productivity, the B.R.B. has made no attempt to recognise this, offering a mere £3.95 of which £2.45 is made up of bonus and mileage payments which are to be consolidated into the basic rate.

Because of these factors, the rate for the job and the irregular and unsocial hours which they are required to work, there has been an increase in the number of unfillied drivers vacancies.

Yet even with an overwhelming case for big increases, the ASLEF Executive have been far from militant in pressing the claim. Industrial action was called off early in 1973 when promises of "more talks" were made.

### Action

The lack of leadership from the Executive forced a number of Branches to initiate unofficial action. In the Eastern Region,

ASLEF members refused to run the High Speed Train in passenger trials until a satisfactory settlement was reached.

Already many branches are going beyond their Executive's instructions with a return to double manning, trains being out of service for minor faults, and pressure building up for strike action.

### Vicious

Despite the vicious press campaign against them, the drivers are extremely united. Even NUR footplatemen are assisting the ASLEF members, in marked contrast to the treacherous statements being made by leading NUR officials.

But the ASLEF members must be on their guard. Their Executive is attempting to find a way out of the dispute before the full claim is met. TUC General Secretary, Len Murray's visit to the union headquarters is a warning. To achieve the full claim, all out strike action is necessary, not only against the British Railways Board, but against the Government, which actually holds the purse strings, and which would dearly love to defeat ASLEF as

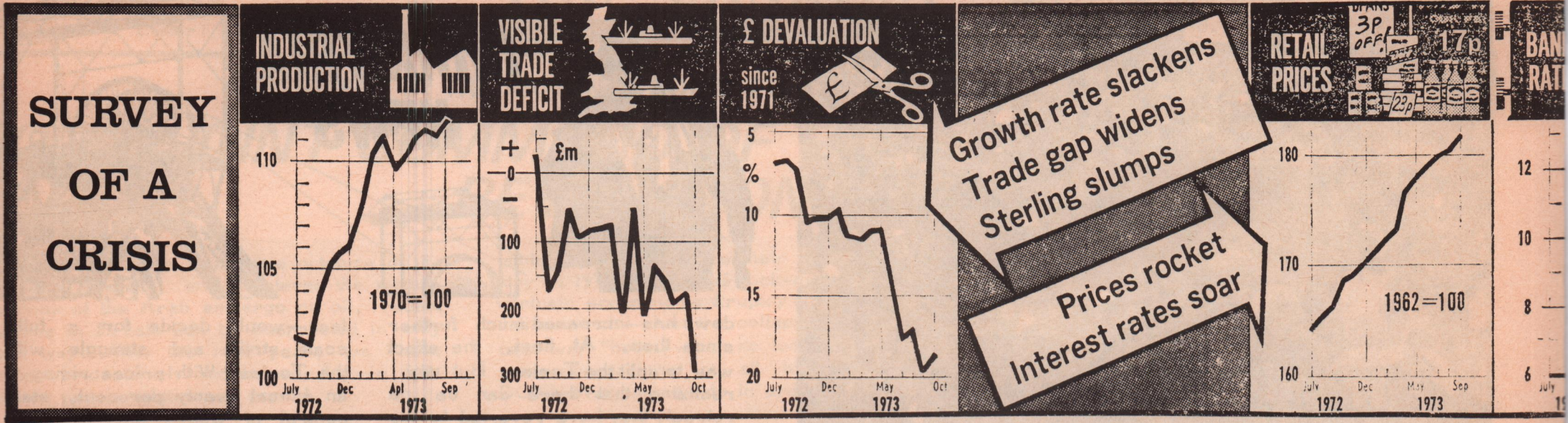


a warning to other unions.

Links must be forged now, both locally and nationally, with the miners and engineers in a Triple Alliance against the Government as the only way to winning the full claim of £40.

Speaking to ASLEF members, our reporter found them completely behind their union's action, though sometimes critical of the soft line.

A driver from Hitchin, Mr. P. Eagleton, reported that the men at his depot were "100% behind the E.C. We rely on them for a lead. That's what we pay them for." Referring to the Tories blaming the current crisis on the miners he said that "the Tories have been in crisis for the last 12 months. The action by the miners and drivers have just brought it closer!"



## CRISIS DIARY

- 13 November - Announcement of Britain's biggest ever trade gap—£298 million for October. End of the two-tier gold system relayed from Washington. The Minimum Lending Rate (Bank Rate) raised to unheard-of 13%. Means 18% overdrafts and higher mortgages.
- 15 November - Over £1,000 million wiped off share values.
- 19 November - Government announcement of 10% cut-back in oil supplies. Threats of petrol rationing.
- 24 November - Tories announce food prices have risen 44% in three years after election promise to stop price-rises 'at a stroke'.
- 28 November - Wall Street shares slump 29 points—fifth highest fall in history.
- 29 November - Financial Times Commodity Index broke '200' barrier—double the index for previous year.
- 6 December - Share values crash 20 points on London Stock Exchange—biggest-ever fall in one day. In one week alone £40,000 million wiped off share values.
- 11 December - Pound plunges to all-time low against dollar on Foreign Exchange markets.
- 13 December - State of Emergency Powers extended following Privy Council meeting with Queen. Robert Carr, Home Secretary, confirms special powers sufficient for use of troops and 'maintenance of essential supplies'.
- 14 December - Premier Heath announces 3 day week for industry and commerce, starting January 1st. This means a national lock-out, mass unemployment (a 'Times' editorial predicts 5 to 10 million jobless), searing wage cuts, bankruptcies and permanent shut-down for many sectors. Declaration of worst-ever trade figures for October and November—a colossal £627 million (Almost equivalent to figure for whole of 1972.)
- 17 December - Chancellor Barber's 'recession' budget. Cuts of £1,200 million. Construction of schools, hospitals and public buildings halted. Stringent HP and credit controls.
- 22 December - OPEC announces an official doubling of crude oil prices to peg of nearly \$10 a barrel. At least an extra 10p on petrol prices plus many further increases on other oil based products.

## BOOM OVER

The Tories' phoney 'boom' is over. Their blind strategy of 'growth' and 'expansion' has ended in catastrophe.

### Recession

All over the capitalist world, the inflation-based 'prosperity' of the post-war years is being transformed into perhaps the greatest ever slump. In Britain, the turn came with Premier Heath's speech on 13 December. The people were told for the first time that their living standards must actually fall. The bombshell came on the heels of statements by leading British capitalists warning that their economic system was on the brink. Sir Michael Clapham,

President of the CBI, declared: "Britain is on the edge of a precipice". Fred Catherwood, former director of the National Economic Development Council, now chairman of Laing's, the building giant, predicted 1½ million unemployed within two months. These threats were translated into policy by the Tories on 13 December.

### Miners

The most crucial single factor in Britain's immediate crisis has been the miners' overtime ban, complemented by the rail drivers' overtime ban and power engineers' action. Workers' wage claims are only an attempt to recover what has been robbed

# AS WORLD CAPITALISM RECESSES

from them through price rises. But the ruling class, headed by the Tories, must blame the working class for the economic crisis itself, and has no alternative but to try and solve this crisis at the expense of the working class. The attacks of Phases One, Two and Three have not been accidents. They are essential for the very survival of British capitalism. As a 'Sunday Times' editorial remarked, it is the 'social system' which is at stake. But the trade union movement, spearheaded by the miners, raildrivers, and other industrial sections, is demonstrating it is not prepared to accept the burden of the crisis. Already the miners' overtime ban has reduced coal supplies to

the imperialist nations. The sheikhs have discovered they now possess an undreamt-of means of multiplying their wealth. Only three years ago the posted price of Saudi Arabian oil was \$1.80 per barrel. Last month the petroleum exporters announced a near doubling of today's price—already \$5.60—to almost \$10 a barrel. At a recent Iranian oil auction the price reached an unprecedented \$17.40.

Oil has become a most treasured commodity, joining the ranks of wheat, cotton, wool, precious metals and gold. A major effect of the oil blockade has been an acceleration of the cut-throat trade-war between the capitalist nations, particularly Europe and America, who can

increase in production a continuous and so through the work raise the this be do workers over frus the risin militancy the stock speculato ities, pus is the a universal capitalism tier gold s the pres \$100 an significant of confide sweeps t



power stations by 40%. According to the 'Sunday Times', "the CEBG could be left with only 3 weeks stocks by the end of January". The cut-back in coal production is given added force by the raildrivers action, which if escalated, threatens to prevent all coal transportation by rail. The Tories face a desperate situation. Hence the 13 December measures, which amount to a declaration of ruthless class war against the working class.

### Four Sources

The crisis in Britain is but a part of the historic crisis engulfing world capitalism. This crisis stems from four inter-related sources.

### The Oil Crisis

The immediate trigger has been the Arab oil embargo. The ban on supplies to the U.S. and Holland, along with the reduction of between 10% and 15% to capitalist Europe and Japan, has sent violent shock-waves through the economies of

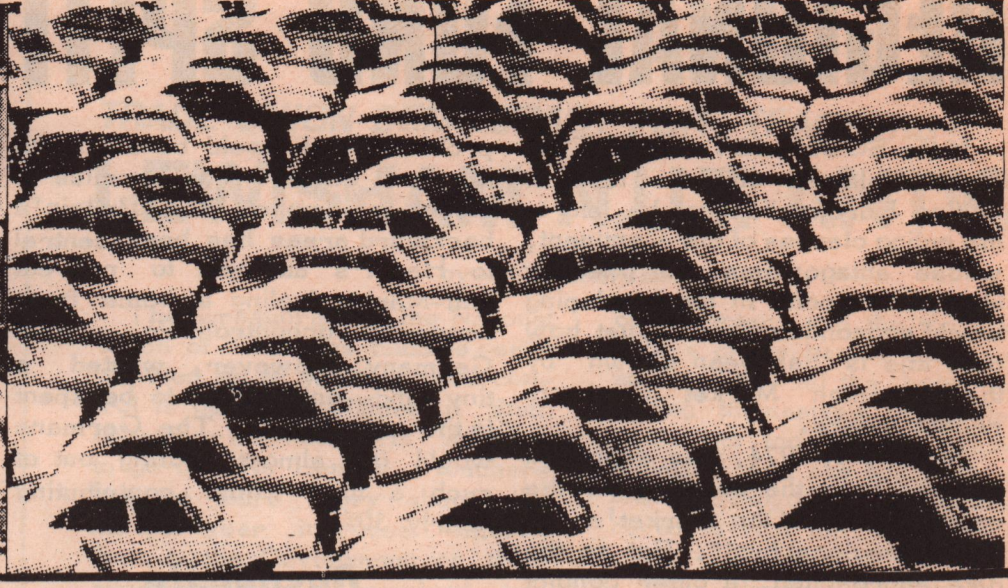
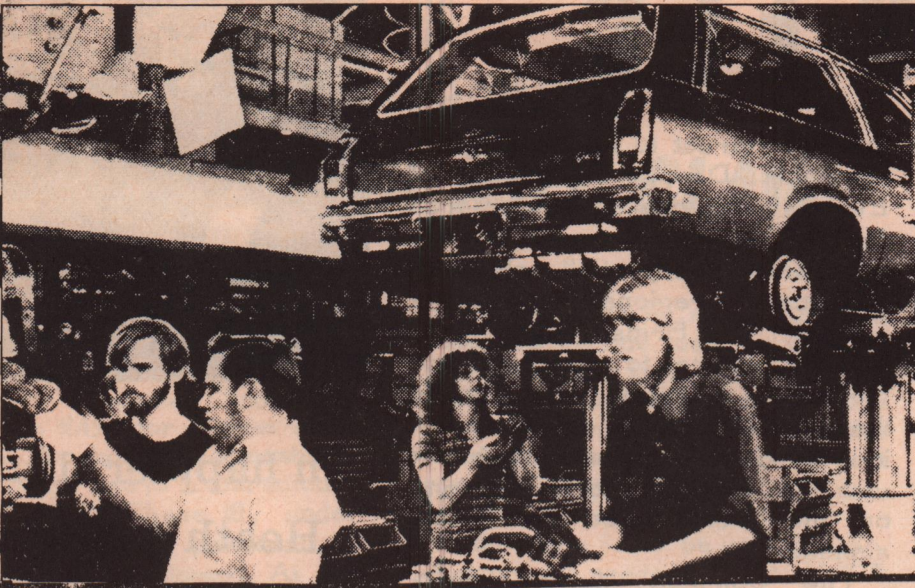
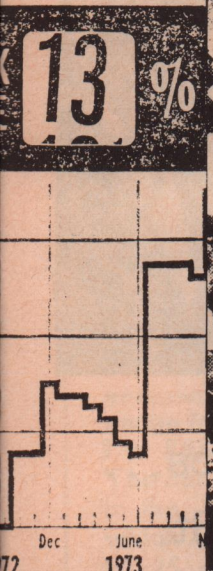
reach no agreement on a 'common energy policy'. This trade-war will—unless a revolution in an advanced country intervenes—carry the western world nose-diving into total slump.

### Commodity Speculation

Whilst the 'boom' doors have been open, soaring prices of basic commodities have been inevitable. The rapid rise in metal prices are an example. In 1973, up to mid-December, the London Metal Exchange recorded the following increases in prices (with percentage rises):

Copper	£1,112	a ton	+ 145%
Lead	£328	a ton	+ 140%
Tin	£3,175	a ton	+ 97%
Zinc	£940	a ton	+ 470%

Besides making massive profits for the monopolies, these speculative increases have resulted in spiralling costs for basic industries. Such phenomenal increases are the herald of recession on a global scale. Each capitalist firm, and each capitalist class, is faced with the incessant need to

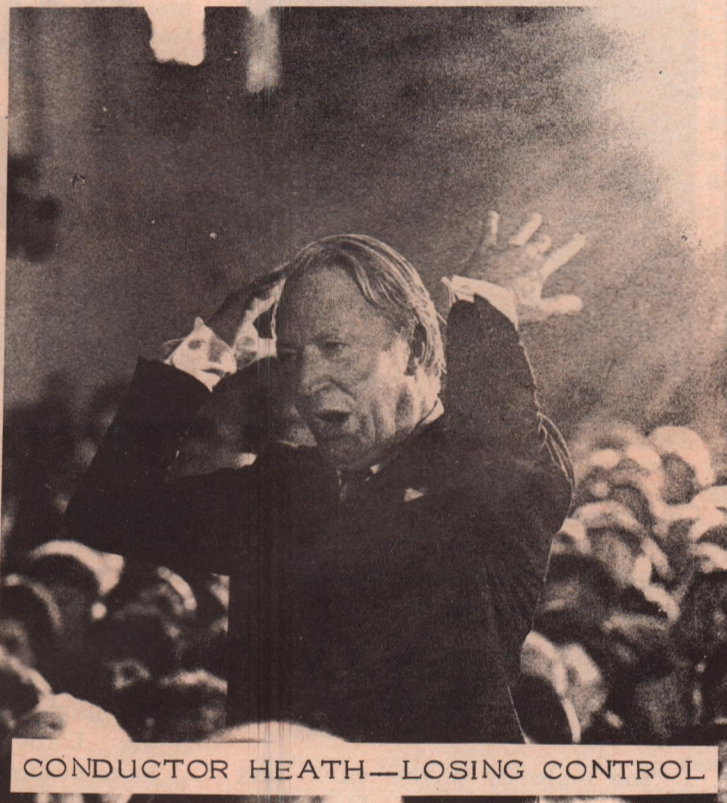


Car industry slumps. Left, Chevrolet plant in USA. Above, Japanese Toyotas awaiting export.

# ST CRISIS DEEPENS ITS BRITAIN

MIKE DAVIS

the amount of real value in order to maintain accumulation of capital, eat off its rivals. Only ruthless offensive against ruling class and a drive to productivity of labour can... But the resistance of... and peasants the world... strates these aims. Thus... tide of working class... internationally vibrates... markets and sends the... rushing into commod... ing up the prices. Gold... important store and... measure of value under... The ending of the two... system in November, and... ent gold price of over... ounce, reveals this real... ce of gold as the 'crisis... nce' in paper money... e exchanges.



CONDUCTOR HEATH—LOSING CONTROL

## Currency System Collapse

The collapse of the Bretton Woods currency system and with it the pre-eminence of the dollar; the fact that dollars are no longer convertible into gold; and the inflationary over-supply of paper dollars ("hot money") over the 'boom' years, have accelerated world inflation and thrown all trading relations into the melting pot. Although the devaluation of the dollar supposedly gave America a competitive advantage in the trade war, the Nixon measures have resulted in the virtual destruction of any stable means for the financing of world trade. This has led to further chaos on the foreign exchange markets and an interest rate war in which the rival capitalist powers do their utmost to retain valuable foreign exchange.

## World Inflation

Finally world inflation itself—rooted in the very nature of the 25-year 'boom'—is now reaching unparalleled post-war levels. Landed capitalists and speculators in countries providing essential raw materials—Arab sheikhs included—can command astronom-

ical prices for basic commodities. From November 1971 to November 1973 the world market price for food and raw materials had risen 117% according to the 'Economist' (24th November 1973). But now the inflation-led 'boom' is collapsing, making way, just as sure as night follows day, for recession and slump. Zero or minus growth rates are expected for the U.S., Germany and Japan—the growth leaders. In all countries, unemployment and shut-downs are already occurring in the motor industry, and the prospect of mass redundancies, bankruptcies and slashed living standards are forecasted by all the pundits.

## Britain's Decline

The deepening crisis is biting British capitalism with particular severity. For Britain has long been becoming one of the weakest links in the capitalist chain. Growth figures for the period 1955-1968 graphically illustrate her industrial decline:

	(Annual growth %)
Japan	9.7
France (1959-68)	5.5
Germany	5.0
Britain	2.8

We can see from these figures that productivity has been doubling every ten years in Japan, every 15 years in major EEC countries and only about every 30 years in Britain. The Tories 3½% growth strategy was meant to reverse this decline. It now lies in ruins following the 3 day week announcement and the massive cut already underway in the steel, motor and construction industries.

With oil remaining 15% short, even without any other shortages (e.g. coal), manufacturing output would be cut back about 3%—implying a reduction of growth to zero rates. The 'Sunday Times' reports that one of Britain's top industrial companies forecasts a fall in industrial production next year of 9%. This, the 'Sunday Times' comments, "would mean almost as big a slump as occurred between 1929 and 1932".

## Devaluation

The floating pound adds to import costs. The effective devaluation of sterling over the last 18 months, when coupled with the 30% annual rate of increase in the money supply (fictitious values), accounts for almost half the 42% price increase in imports, and means a depreciated pound

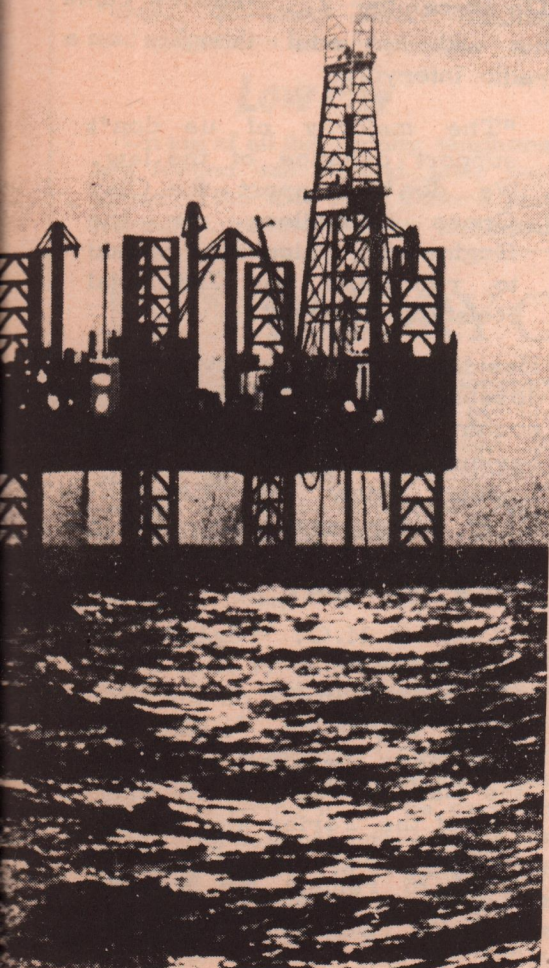
becoming increasingly worthless as inflation rips ahead.

The OECD reported for October a 2% rise in the cost of living in Britain. An astronomical annual rate of inflation of 24%. The fraudulent Price Commission stands condemned by these figures alone. But now that inflation is to be coupled with deflation, the prospects for British capitalism become disastrous.

## Low Investment

But even without this news, the growth rate would have improved little, because of the low level of domestic investment. In the second half of 1972, capital expenditure by manufacturing industries was 21% lower than in the second half of 1970. In all, it amounts to less than 7% of the GNP. Although a 7% rise in manufacturing investment occurred in the first half of 1973, Britain fails miserably in comparison to the levels of 30% of Gross National Product invested in Japan and Germany. Moreover the biggest slice of Britain's investment is going overseas. Capital investment out of Britain has amounted to an enormous £20,000 million worth of direct and indirect investment. This in turn creates a major drain on the balance of payments.

The trade deficit is now running at an annual rate of nearly £3,000 million. There is a corresponding increase in government borrowing to finance the deficit. And with the increasing burden of state expenditure, all this has resulted in the assessment of the huge sum of £4,423 million (The Economist 12 May 1973) as the figure required by April 1974. Payment of the bill for such enormous foreign borrowing, at record-high interest rates can only mean savage attacks on workers' standards of life. In Britain as throughout the world an era has ended. The prediction of Karl Marx—that even the most powerful capitalist boom must inevitably end in slump—is once more being proved correct. There can be no return to prosperity on the basis of the private ownership of the means of production. The working class alone has the power to cut through the crisis. Only by the expropriation of the capitalists and the nationalisation of all industry can the anarchy of capitalist production be ended. Only on the basis of working class power can a socialist plan of production be implemented in the interests of the people of Britain and of the world.



SEA RIG. AS OIL CRISIS DEEPENS BRITAIN DESPERATELY DRILLS.

# REGIONAL FUND SPLITS E.E.C.

In the SOCIALIST CHARTER it is explained that the task of uniting Europe "cannot be left to the ruling classes of the Continent, whose antagonisms will intensify to explosion point in the developing world economic crisis." Just how true this is has been shown by the Common Market crisis in recent weeks.

January 1, 1974, was supposed to have been the deadline for the establishment of the Market's so-called "regional fund". But as the date approached, a bitter conflict erupted between British and German capitalism as to how big this fund should be. Britain, backed by Italy and Ireland, wanted a huge one—£1,250m to be spent in the fund's first three years. These countries have the worst regional

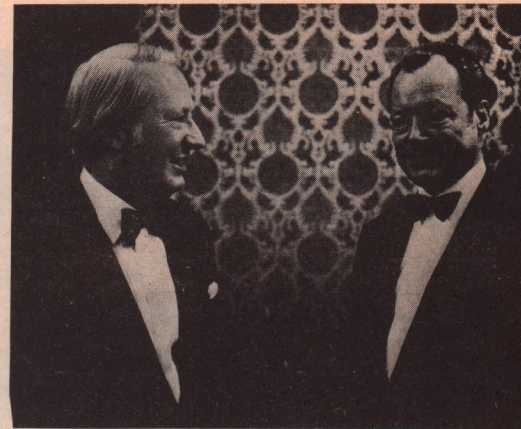
problems and would benefit from the fund most. The promise of plenty of money for Britain's backward areas has been central to Heath's attempts to prevent anti-Market feeling at home from becoming uncontrollable. West Germany, however, wanted a tiny fund—only £250m to be spent in the same period. The Germans would get almost nothing out of such a fund whilst contributing nearly 30%.

## Desperate

So desperate is British capitalism that the foreign secretary, Sir Alec Douglas-Home, at a Brussels meeting of the Nine foreign ministers on December 18, outraged the Germans by what

seemed a threat to bust the market apart. Despite the gravity of Europe's oil crisis, he declared Britain would not agree to any oil-sharing policy at all unless an "adequate" regional fund was agreed. The British ruling class has no desire to pump oil into Holland or Germany when—unlike these less fortunate neighbours—it is making its own arrangements with the sheikhs and is banking on the North Sea for future supplies.

The Common Market was a product of the post-war "boom". When it was a question of dipping their fingers into one another's profits, the ruling classes of the Continent were only too pleased to club together in the "common good". Now that it is becoming a matter



## In happier times... Heath & Brandt.

of shouldering one another's burdens, things aren't so friendly any more. A vicious battle of each against all is blowing the facade of ruling class "unity" sky-high.

Chris Knight

# Northern Ireland Assembly united in subservience

Amidst a series of disasters for the Heath government, one thing has been held up by the Tories as a success—their imposed "solution" to the problem of Northern Ireland. The establishment of a "power-sharing" assembly, (in reality a sordid alliance between Faulkner's Tory-unionists and Fitt's reformist SDLP-ers) was largely brought about by the exhaustion of the nationalist population, who have fought for nearly 5 years now against Protestant Unionist domination and the might of the British army. Having suffered the devastation of their areas, the barbarities of internment and the blind alley of the sectarian bombing campaign of the Provisionals, the Republican organisations were at last becoming estranged from their supporters in various 'Catholic' areas. Quick to seize their opportunity, the Fitts, Humes and Curries of the SDLP rushed into talks with William Whitelaw, thereby betraying even their own miserable pledge to enter "no talks until internment has ended".

## Paisley

The resulting executive has one thing that holds it together—the subservience of all its members to British imperialism and its designs for Ireland. Not everyone, however, was satisfied with these arrangements. The host of petty functionaries who owed their jobs to the absolute domination of the old Unionist party felt their positions threatened by the influx of middle class Catholics. And behind them stand large layers of the loyalist working class, fearful of losing the few privileges that Orangeism gave them and at last coming to see that the Unionist party is dominated by industrialists and landlords who don't give a damn about their real interests. This group has found an articulate spokesman in Ian Paisley, the clerical bigot, who has emerged, along with John Taylor and William Craig, as leader of the anti-Faulkner loyalists in the assembly. Potentially this movement has serious dangers for the Irish and British working class. Given the despair of the loyalist

# united in subservience

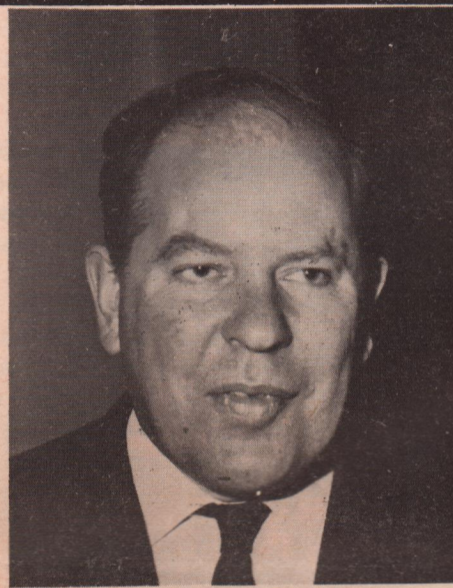
"sell-out", an attempt at a pogrom against isolated Catholic areas is a real possibility. The interest of Enoch Powell and his supporters in this set-up should also be noted by British socialists.

## Decisive Action

Parallel with this, the willingness of the Cosgrave-Corish regime in the Republic to hound republicans and socialists on behalf of British imperialism enabled Whitelaw to sell his scheme of two puppet governments linked in a "council of Ireland", whose only purpose is to legally persecute militants in any part of Ireland. Flushed with his success, Whitelaw has been called back to deal with bigger targets, the British trade unions while the non-entity Pym has been installed to see things run smoothly.

However, this carnival of reaction can be stopped even now. Decisive action on the part of the Irish Labour movement is urgently needed. First, a move by the SDLP to break off all participation in the Northern Irish executive. Second, the withdrawal of the Irish Labour Party from the Southern Fine Gael administration. Third, the establishment of an Irish Council of Labour embracing these two bodies together with the adoption of a full-blooded programme of expropriation of capitalist assets as the basis for an all-Ireland economic plan of production. Such steps could still rally the vast majority of workers for a struggle against the Tories and their stooges, especially with Britain's economic crisis opening up the possibility of winning key sections of the Protestant workers with a programme of class demands. However, the Fitts, O'Briens, Corishs and Bleakleys live in deathly fear of any such action. Their removal is the prerequisite for a successful struggle against Heath's plans for Ireland.

by Keith Veness



REG PRENTICE

On November 23, Reg Prentice—T & G-sponsored Labour MP—issued a call on "moderates" in the Labour Party :

"to stand up and be counted."

By "moderates", he meant

"the majority of the rank and file who are not Marxists, who are not hell-bent on nationalising everything, and who are fed up with the sillier forms of trade union militancy, but who are sincerely dedicated to the social-democratic traditions of the Labour Party."

He went on to complain:

"Up and down the country, in thousands of local Labour Parties and Trade Union branches, too many of our sensible people have drifted into the role of onlookers. They have allowed the left-wing to make the running and given a false impression of what the Labour Party is really all about."

This defiance of the decisions of 1973 Annual Conference was immediately condemned by his own Constituency Labour Party. Whereupon Prentice declared:

"In 16½ years in the party, no suggestion has been made by anyone that they wanted to control what I said. Neither would I accept anyone's right to do so. The Party must respect my right to say what I like."

The arrogant scab gained support from GLC Leader, Sir Reginald Gledhill, UEA Leader, Ashley

# STAND UP AND BE COUNTED!

by Graham Bash

Bramall, eleven other councillors and eleven prospective parliamentary candidates. They signed a letter to Harold Wilson which said in part:

"We have been alarmed by the situation in which members of the Labour Party leadership have publicly ignored, condoned or even supported the undermining of our democratic parliamentary system of law."

On December 2, Prentice came out with his real thoughts on a radio interview:

"The majority of us don't support defiance of the law. We don't support the Clay Cross councillors, or the Engineering Union in its refusal to recognise the Industrial Relations Court."

Besides Prentice's own Party, dozens of CLPs throughout the country have condemned his behaviour. Among them are Norwood Labour Party and Brent East CLP, which passed nem. con. the following resolution proposed by the Young Socialists.

"This G.M.C. regards the recent speeches of Reg Prentice as an attack on the trade union movement, which can only have the effect of splitting the Labour Party in the interests of the Tories and the employing class. It calls on the NEC to remind Mr Prentice that he owes his position as a Labour MP to the strength of the trade union movement, and to tell him to use that position to defend the trade union movement or else get out of the Labour Party altogether."

## Spending cuts hit teaching NO POLICY BEHIND N.U.T. CLAIM

by Peter Gold

Last month, the National Union of Teachers (N.U.T.) submitted the 1974 salary claim to the Government. Proposed increases range from £494 for lowest scale 1 to £950 for some headmasters. The demands are in contradiction to the Tories' Phase III, under which a maximum 7 per cent or £2.25 a week is allowed. At the most favourable estimate, this works out at a mere £140 increase.

### Falling Behind

The new claim coincides with the publication of the 'Bitter Lesson', commissioned from the Trade Union Research Unit by the N.U.T. executive. As the N.U.T.'s journal, 'The Teacher', explains "Statistics from the survey reveal that the overwhelming majority of Britain's teachers...are falling further and further behind male manual and non-manual workers. Even graduate teachers on Scale 1 can expect to reach average manual pay rates only after four years. Sixty per cent of Britain's teachers are on Scale 1 or 2; they can never expect to reach average non-manual earnings of around £48 per week."

Union President and Communist Party member, Max Morris, described the report as "a shattering criticism of the operation of incomes policies since 1968". Most teachers would support this statement. But in itself it is useless. Teachers face a situation where living standards have been slashed and where worse is in store. Through chronic staff shortages, schools in London, Birmingham, Liverpool and Glasgow are on part time. The Tory axe has been heavily wielded against education. The teacher training programme has been cut by 60,000 between now and 1980. This reduction in the number of teachers can only make classes more oversized. Barber's latest 'snips' will affect school building and provision of equipment.

### Low Pay

On top of all this, many teachers are forced into second jobs because of the low pay. Others just leave. A recent survey indicated

that there are now more qualified teachers outside teaching than in it. London will lose another 2,000 teachers by January because those teachers simply cannot bear the burden of astronomical prices and mortgage rates.

If the claim is to be won, drastic changes are needed. The N.U.T. executive must formulate a policy to win it. Unless there is a serious fight it is likely that not only will the Tories attack spending on education but will cut teachers' salaries. The precedent for that lies in the Geddes measures of the 1930's when teachers' pay was directly reduced. The crisis is the Tories' driving force.

In that light, 'The Bitter Lesson' is also a 'shattering criticism' of the union's leaders who have allowed incomes policies to operate without resistance. The whole leadership has been conspicuous in its cowardice. It refused to back action against the jailing of the dockers last year. It instructed the members to scab on the May Day strike. It accepted Phase III without a whimper.

### Fight

Teachers must force the leaders, especially Stalinists like Morris and Fisher, to fight—or get out. The Executive has formulated a claim but offers no policy. Yet most teachers will take action, given a clear lead. Two things are certain: isolated action will not succeed and the Tories are determined to break the N.U.T. A basic requirement, therefore, is the immediate formation of a public sector alliance of teachers, miners, and railmen to link up the claims through co-ordinated strike action.

The N.U.T. Executive must be told:

- \*Prepare joint strike action with other sections to win the claim!
- \*No retreat on the Scale One demand. £1,800 minimum!
- \*Build a fighting alliance with the miners, railmen and engineers.
- \*Smash Phase III and the Tory Government!

## TRADE UNION DEMOCRACY FOR TEACHERS! LEWISHAM N.U.T. ANTICS

by Al Richardson

The bureaucracy of the National Union of Teachers must be really worried as to whether their control is going to continue, if their behaviour last Autumn is anything to go by. As London teachers become more angry about the £19 per year increase offered them by the Government on their allowance in a rise promised two years ago, the headmasters who control the executive become even more bumbling and anti-democratic in their efforts to stifle the complaints of the rank and file.

Typical of many must be the incredible antics in the Lewisham Association. The Annual Meeting came along on November 13th for proposing motions to be accepted for Conference. Out of 12 resolutions, at least 6 took a very militant line. The branch in Forest Hill put down 2, one calling for strike action over the measly allowance, another for the restriction of the number of Headmasters on the executive to the proportion of their membership in the Union (Which other union would allow its members to be represented before the employer by the employer's own personnel managers?)

### Stunt

The reply to this was typically heavy handed and bureaucratic. First of all we learned, the Hall had only been booked to 8.30 p.m. and so "we only have time" to discuss 8 resolutions (out of 6 to go forward!) A motion was proposed (at which no discussion was allowed) to restrict discussion to these 8—by adding up the numbers of votes cast for each of them. Thus consensus resolutions got through and those that people wanted to discuss were not allowed to be either talked about or voted upon! Then the chairwoman had the affrontery to start recommending resolutions until called to order from the floor. The next stunt was to hand out numbered ballot papers (nos. on both halves), of which the bottom had to be filled in with the name

of the voter, and the top marked with a cross beside the candidates. Thus all the headmasters putting themselves up at election could put together the numbered halves to find out which of their teachers (anyone want promotion?) cared to vote for them.

The union members in at least one Lewisham school were furious and at their next school meeting passed unanimously a resolution expressing "disgust" at this behaviour, sending it forward to Hamilton House. Their reply was that the resolution was receiving the 'attention of the union's "legal" department' (I wonder are secret ballots still legal?).

### Headmasters

None of this would have happened if the "lefts" had been either organised or conscious. The I.S. "Rank and File" supporters at the Annual Meeting were stupid enough to vote for the motion cutting the resolutions to debate down to 8, thus cutting off half their own resolutions from the agenda! One of their spokesmen got up to denounce the motion restricting the headmasters on the executive as 'divisive' (I suppose it is really—it divides employees from management!), but later somewhat inconsistently recommended his own candidate for election on the basis that he was a class teacher, not a headmaster! That rank and file feeling did exist for "Rank and File" to demoralise was shown by the vote for this same candidate—20 more than the next of the 2 headmasters to stand against him!

Only by removing managerial staff from the executive can the members prosecute militant strike action against the government and its Phase 3 along with the rest of the Labour movement. This surely also goes for our 'Communist' leader, Max Morris, who as a 'good' headmaster is at the moment causing consternation among the YCL youth by his lack of enthusiasm for school students' unions.

## IN MEMORY OF JOHN MACLEAN

The publication of the biography "John Maclean", written by his daughter, Nan Milton, comes 50 years after the revolutionary leader's death on November 30th. It is also fitting that it should appear at a time of political upheaval unequalled since the end of World War I.

It was during the first World War that Maclean's prestige as a revolutionary leader reached its peak. From the outset, he led the resistance to the war, declaring it to be opposed to the international interests of the working class. He organised, on a weekly basis, mass anti-war meetings in Glasgow, sowing the seeds of the mass upsurge which developed amongst the working class in the West of Scotland. In April 1916, the authorities gaoled him for sedition. Rather than

removing the menace, however, this only inflamed the fires as a mighty agitation arose in his defence. Eventually at the end of June 1917 the anger of the Glasgow workers forced the authorities to release him.

During his first long imprisonment, Maclean had been isolated from international events. However, both the 1916 Easter Rising in Dublin and the February revolution in Russia earned his full acclaim and reinforced his confidence in the international working class. After the October Revolution, he was appointed Soviet Consul in Scotland. His proletarian internationalism was further recognised by Lenin and Trotsky in his election as Honorary President of the Petrograd Soviet, alongside Karl Liebnicht

and Victor Adler. He was again arrested in April 1918 on a charge of sedition. In response to Maclean's request, the workers of the Clyde struck on May 1st and 100,000 marched through Glasgow in solidarity. The following are extracts from Maclean's famous speech from the dock, after which he was sentenced to five years in gaol:

"I am not here, then, as the accused; I am here as the accuser of capitalism dripping with blood from head to foot..."

The Lord Advocate pointed out here that I probably was a more dangerous enemy than you had got to face than the Germans....

The German workers' enemy is the same as our enemy in this country—the landlords and the capitalists are our mutual

by JOHN CONNELLY

enemy...

I am a Socialist, and have been fighting and will fight for an absolute reconstruction of Society for the benefit of all. I am proud of my conduct... No matter what your accusations against me may be; no matter what reservations you keep at the back of your head, my appeal is to the working class. I appeal exclusively to them because they and they only can bring about the time when the whole world will be in one brotherhood on a sound economic foundation. That, and that alone, can be the result of the reconstruction of Society. That can only be obtained when the people of the world get the world, and retain the world."

# young socialist NEWS

## YOUR YS BRANCH

For details of branch activities write to:

### SOUTH

Brent East: Kevin Knight, 7 Park View, Olive Road, NW2  
Wycombe: Geoff Bender, "Wyvies", Pinewood Road, Sands High Wycombe, Bucks

Norwood: Paul Moore, 61 Selsdon Road, SE27.

Streatham: Elaine O'Neill, 47 Amesbury Avenue, SW2.

Vauxhall: Kevin Moore, 170 Wandsworth Road, SW8.

Woolwich: Phil Elliot, 82 Woodhill, SE18.

### YORKSHIRE

Rotherham: John Connelly, 22 Bradgate Road, Rotherham, Y

### NORTH-WEST

Stockport: David Barrot, 42 Lisburne Lane, Offerton, Stockport

## Suspension overruled, but NEW THREAT FACES DAVE DOUGLASS

Labour's National Executive Committee has severely reprimanded Goole CLP in Yorkshire for suspending Dave Douglass in an unconstitutional manner. But Dave's problems are not over. His alleged membership of the Revolutionary Workers Party may be pronounced incompatible with Labour Party membership and so provide grounds for a second attempt at political expulsion. Peter Doyle, YS representative on the NEC, was forced - against his wishes and by the gathering weight of our defence campaign - to break a long and deafening silence and speak in his defence. To add to the embarrassment of the YS leaders, it is now becoming plain that their own planned national campaign against racism, which was to have culminated in a rally in Bradford this January, has been postponed for at least a month because of interference from the Yorkshire bureaucracy of the party and right wing elements in the Bradford constituencies. Chief movers in this disgraceful sabotage of YS democracy include Harold

Sims and Bert Twigg, the very persons largely responsible for the attempted expulsion of Dave Douglass. Clearly emboldened by the refusal of the YS leaders to take up the issue, these labour parasites now meddle in the mainstream of YS activity.

The warning given by the Chartist Daily Briefing at the last YS national conference that to defend Dave Douglass "provides the only effective preparation to combat the extension of the witch-hunts to other left tendencies in the Labour Party" is now entirely vindicated. So is the defence campaign itself which raised in a practical manner, and at the highest levels, the issue of bans and proscriptions and of the defence of such 'revolutionaries' in the party as a matter of principle.

Right:  
November's  
lobby in  
defence of  
Dave Douglass, in Goole.



## FILM

Jan 17th Thursday FILM Arise Ye Workers (about the movement to free the 5 dockers jailed in 1972.) 264 Rosendale Rd 8pm

## STUDENT GRANTS CAMPAIGN: The Way Forward

by Graham Durham,  
Leeds University.

1974 will see increased militancy among students fighting for higher grants, in line with policy approved at the recent NUS Conference in Margate. A national campaign of rent strikes, occupations and catering boycotts will further embarrass the government as it attempts to justify the decreasing value of the student grant. The present crisis in British capitalism can only be solved by holding back wages and drastically reducing state expenditure, which explains why the Anderson principle for assessing student grants, adopted in 1962, has been abandoned. If the level of student grants agreed in 1962 was being paid today then students on a full grant would receive £655 a year, or £170 above the present maximum. There is little doubt that many Tories would like to satisfy the demands of the students, as is shown by the support for the campaign being shown by Vice-Chancellors such as ex-Tory minister, Lord Boyle. It is the present state of the economy which dictates otherwise. The heavy decline in the level of student income has led to a vigorous campaign for higher grants supported by the mass of students. Firstly, the increased number of working-class students in absolute terms, although the percentage of such children in higher education remains, disgracefully, as low as it was fifty years ago. Secondly, the structure of the grants system itself, which discriminates against middle class students through the (means test) on parents' income.

The leadership of the NUS, dominated by the Communist Party, is in a crisis faced as it is with the militant tactics of the individual student unions. The Executive's main role has been to isolate major struggles and counterpose talks and lobbying M.P.s to direct action. The opposition to the Communist Party comes from the centrist International Socialist group, which although active in rank and file action, lacks an overall strategy for linking the fight of students to the struggle against Phase III. The grants campaign has so far been a series of isolated militant actions, thinly covered by trade union messages of support, which has not been concretely linked to the battles of other sections of the population in defence of their living standards.

The nature of the grants system raises a number of questions about the system of education in Britain. The most important is the right of a living wage for all who wish to study - not only those who have the required A-levels. Such a demand, which cannot be met by capitalism, would at once raise the level of the students struggle from a purely economic demand into a political fight. Demands for a fully comprehensive system of education, for a nursery school place for every child, for a democratically run system of education and a removal of business-orientated education (a feature of so many courses and examinations) - all these highlight anomalies in the present education system. Above all, the demand that education be placed in the hands of

committees of trade unionists, parents, teachers and pupils in order that the best interests of the community be served would show the desirability of a socialist system of education, achievable only be a transformation of society. Such demands as these are anathema to the collection of public schoolboys, Oxbridge graduates and big businessmen who run education in Britain. By failing to raise such questions those groups who formulate NUS policy are losing an opportunity to win many more students to the fight for socialism.

Marxists must recognise that students belong to no social class. However, they are increasingly being employed after study as teachers, clerks, civil servants and manual workers, often at a low level of income, whereas formerly they were assured of secure jobs in industry and the professions. As well as this bleaker future, students during their education, are being hit by the same economic forces as afflict millions of workers. The fight of the labour movement against Phase III and the other methods being used by the Tories to solve their economic problems is vitally important for students. Higher grants cannot be achieved at a satisfactory level unless the Labour movement manages to defeat Phase III. As with the 1972 miners strike, students must be seen to be actively supporting working class struggles. This involves opening up student facilities to striking workers, plus physical

aid in the form of pickets etc. All student unions must participate in local Trades Councils and action committees. This is the only way to forward links with the TUC, the Labour Party and rank and file bodies and to effectively campaign for higher grants.

## NEW YS

We welcome Wycombe YS and Stockport YS to our list of supporting branches. Wycombe, who held their founding meeting on 28th November last, have already produced an excellent branch newsletter "Young Socialists Bulletin" with features on the housing crisis, local news items, annual conference report and a lead story on Chile. Maybe you should write to the Wycombe secretary for a sample copy to get some ideas for your branch paper.

Both Wycombe and Brent East CLPs have sent money to the imprisoned North Wales building workers' defence campaign following resolutions from the Young Socialists. This despite the usual pleas from right wingers that they "didn't know the facts!"

Lambeth LPYS  
Saturday January 12th.  
8pm. St Anselm's Hall.

## disco

Hockey... Norwood vs Vauxhall  
Meet 2pm, 264 Rosendale Road.