

International

Vol. 1, No. 6

September-October 1971

15p

BRITISH CAPITALISM: Results & Prospects

The Popular Assembly in Bolivia

Teresa Hayter

Interview with Hugo Gonzales Moscoso

IRELAND: Interview with Republican Leaders

INTERNATIONAL

Volume 1 Number

Editor John Ross
Editorial Board Anna de Casparis, Charlie van Gelderen, Brian Grogan, Peter Gowan, Pat Jordan, Dave Kendal, Marie-Therese Ligougne.
Business Manager Leonora Lloyd

Contents

Editorial: New Crisis of U.S. Imperialism	2
Results and Prospects for British Capitalism <i>J. Marshall & B. Davey</i>	11
Further Developments (?) in State Capitalism <i>Brian Grogan</i>	29
New Dialogue in Republicanism	40
Bolivia: Two Documents	51
Review	70

Published by The International Marxist Group, 01-278 2616

Printed by F.I. Litho Ltd. (T.U.),
182 Pentonville Road, London N.1. 01-837 9987

Subscriptions: 15p per issue, £1 per annum.
£2 airmail to Africa, Asia, Latin America,
North America.

EDITORIAL

New Crisis of U S

Imperialism

Perhaps the most important political process since 1945 to have occurred within the advanced capitalist economy is the re-emergence of a multi-centred imperialism. From the position of absolute capitalist dominance which it enjoyed, the United States has now been forced to descend to arguing with Germany, Japan and other once despised enemies. The latest blackmailing and wrangling over the dollar is only one symptom of the developments which have the greatest, and gravest, consequences for the future class struggle inside the imperialist states.

I

The worsening general crisis of the world imperialist system is at present mainly expressed in the serious deterioration in the state of the international capitalist economy: Three out of seven of the most important imperialist powers - the U.S., Italy and Great Britain are in the grip of a recession, industrial production having fallen in relation to the same period last year. In Canada the recession could be over by the second quarter of 1971, developments in a fifth country - West Germany - are not yet clear: during Autumn 1970 there were indications of a possible recession. In particular there were symptoms of a fall in the rate of profit and a reduction in the level of private investment. During the first quarter of 1971 these signs were partly neutralized by an increase in production, especially consumption goods for the home market, but it is unclear if this represents only a temporary interruption of the cutback in production or whether it will transform itself into a new period of growth. In the short term what happens in West Germany will also determine developments in France and the Benelux countries. As for Japan, although the economy continues to expand, the rate of growth is perceptibly lower than hitherto. Since Autumn 1970, excess capacity has appeared affecting particularly in the electronics industry (1.5 million unsold colour televisions), household electrical goods and petrochemicals. In 1970 the number of bankruptcies reached a record figure of 9,500.

The deteriorating condition of the international capitalist economy can be measured by two phenomena which have appeared to a wider extent than at any time since the boom created by the Korean war. These are rising unemployment and the prolonged refusal of the big monopoly trusts to increase their investments in response to monetary 'incentives'.

The total number of unemployed in the seven principal imperialist powers must be near 10 million today, a larger figure than at any time since World War 2 (5 million in the U.S., 1.5 million in Italy, 1 million in Japan, 800,000 in Great Britain, 700,000 in Canada, 500,000 in France. Only Germany has so far escaped a serious level of unemployment.⁽¹⁾ The rate of unemployment is still higher in particular regions of these states. In the north-east states of the U.S.A. in Southern Italy, in Scotland, in Quebec and in British Columbia in Canada unemployment easily reaches 8% of the total work force. The rate is also much higher among young people. In the U.S. for example the rate of unemployment is 17.2% among young people and 35% among black youth.

Capitalist governments continue to rely on Keynesian and neo-Keynesian techniques to fight the recession. In the last analysis these techniques amount to a single factor: the creation of inflationary buying power. This technique enables the cumulative effects of the recession to be prevented. The recession is stopped at a certain stage (at the price of a new inflationary push and a further deterioration of the international monetary system when it draws the system's reserve currency - the dollar - into the whirlpool), but the creation of inflationary buying power does not bring about an automatic increase in industrial production. This is the second fundamental weakness of Keynesian practices besides generating inflation.

In the U.S.A., although money in circulation has been increased by 6% in 1970, industrial production has stagnated or fallen back. During the first quarter of 1971 the amount of money in circulation has been increasing at an annual rate of more than 11%, but industrial production stagnated and then dropped back. The reasons for this fall in production in response to monetary stimulants are not difficult to find. The level of industrial production depends essentially on productive investment. *Under a capitalist regime the productive investment of the great monopolies is a function both of market tendencies and of fluctuations in the rate of profit. To make the trusts increase their investments, an expanding market and a predicted increase in the rate of profit are necessary. When the rate of profit is low, and there is excess productive capacity in numerous spheres of industry, even an important expansion of the market will not bring about an increase in productive investment when there is no tendency bringing about a change in other factors.

The deterioration of the international economic situation occurs at a time when military expenditure is higher than ever, when even Japan, which until now has stayed outside the arms race for the most part, takes the road of accelerated rearmament. It is not very likely however that a new increase of arms expenditure is a solution to the present problems of capitalism. To achieve the necessary boost armaments expenditure would have to be incr-

eased to a level that even the U.S. could not support outside a period of global war.

The capitalists will undoubtedly react in a different way. They will concentrate on two main strategies of attempting to enlarge international outlets and of increasing the rate of profit at the expense of the working class. The enlarging of international outlets indicates a necessity of the direct involvement of American imperialism in trade with the workers states (softening of embargoes with regard to the U.S.S.R., resumption of exports to China): an accelerated penetration into the markets of semi colonial countries; a new increase in inter imperialist competition. The attempt to raise profit at the expense of the working class means an effort to limit or suppress the only real liberty which workers have under a capitalist regime ... the power to collectively negotiate their wages, by the introduction of some form of 'incomes policy'. Such a policy is now advocated by practically every section of the international bourgeoisie. For capitalism the growth in unemployment, it is hoped, will serve the purpose of ensuring the more or less passive acceptance by the working class of the curtailment of wages. The accelerated integration of the union leaderships into the bourgeois state is calculated to achieve the same result. If the unions show themselves to be too recalcitrant, i.e. if the growing combativity of the workers forces the union bureaucracy to resist then anti union and anti strike legislation should serve to put right this 'lack of understanding.'

It follows that the deterioration of the economic condition of capitalism must translate itself into an intensification of class contradictions in the imperialist countries themselves. This will be superimposed on the revolution in the colonial and semi colonial countries. This intensification of struggle, which has been developing since May '68 and before, will reach new levels. The general crisis of the imperialist system must not be understood just as a crisis of overproduction (that's only one of its periodic aspects), but as a general crisis of instability in which revolutionary explosions, liberation movements of the oppressed people, the class struggle of the working class, the tensions between imperialist powers, monetary crises, so-called 'cultural' crises, conflicts with the bureaucratized workers' states, form a whole which increasingly undermines the cohesion of the system.

II

The main peculiarity of the present phase of the increasing general crisis of the imperialist system is that all the forces at present operating tend to precipitate the crisis in the form of a major social crisis inside the U.S. itself.

American imperialism came out of the Second World War as the absolute master of the capitalist world and possessing a pronounced economic and military superiority over the U.S.S.R. The enormous super-profits which the U.S.A. accumulated during and after this war, the enormous reserves which it had at its disposal, enabled it to assume uncontested leadership of the capitalist world for 20 years.

It vigorously pursued a policy of accumulation of capital and rapid modernizing of its own industry. It also, for other reasons, put capitalism in W. Europe and Japan back on its feet. In this it was of course helped by the

reformist and stalinist bureaucrats who betrayed the post-war revolutionary upsurge. U.S. imperialism also participated in the conquest of the old decomposing colonial empires and the internal markets of its principal allies and rivals, and exported more than 60 thousand million dollars of Capital for this purpose. It played the role of world policeman for the capitalist system, surrounding the U.S.S.R. and the 'Peoples Democracies' with a network of military bases, maintaining in the U.S.A. and abroad a military establishment without precedent in history, studding the world with counter-revolutionary bases which it financed and equipped. It avoided a heightening of social contradictions in the U.S.A. itself by improving the living standards of an important section of the American working class, corrupting the union bureaucracy, while at the same time restricting the working class power (Taft Hartley Law), integrating its organisations into its policy of world expansionist politics (Cold War, MacCarthyism, etc.).

For several years now the limits of the power of American imperialism have been clearly revealed and it has suffered a number of setbacks. After failing to smash the Cuban revolution it has not been able to break the rise of revolution in Latin America. It has not been able to prevent a worsening of the relationship of force with respect to its principal rivals, and in particular with the West German dominated Common Market. The U.S. has not been able to prevent the awakening of black youth which has been transformed on one hand into the revolt in the ghettos and on the other into the growing radicalization of the whole student youth. It has not been able to prevent the growth of a powerful anti war movement which has now become the most powerful ever known in the history of colonial wars. The permanent deficit of the U.S. balance of payments and the permanent crisis of the international monetary system are the summarized expressions of all these setbacks. *They express the growing inability of American imperialism to fulfil simultaneously all the tasks that its predominance over the capitalist world have imposed on it since 1945.* They mark the beginning of the decline of this supremacy.

The enormous amount of capital used to finance the Vietnam war, to maintain a constantly expanding military *establishment*, to finance counter-revolutionary bases throughout the world and to monopolize the ownership of capitalist enterprises abroad have resulted in a holding back of the modernization of some important branches of U.S. industry. This has given rise to a situation where the most advanced technology is being used not by the U.S.A. but by its rivals. This is particularly the case in steel, naval construction, electrical construction and even partially in the car industry. The enormous foreign capital expenditure imposed on the U.S.A. by its imperialist position has especially slowed up the task of attenuating social contradictions in the U.S.A., increasing real wages, building schools, cheap housing, hospitals, etc.

The results are clearly visible. For four years there has been no rise in the real wages of the working class. The working class is feeling the joint pressure of inflation and tax increases. The great towns are literally falling apart. Sections of whole layers of the American population (youth, blacks, Chicanos, Women) have openly rebelled against a social structure which

condemns them to the rank of second class citizens. It is only a question of time before the mass of the American working class joins this rebellion and transforms itself into a force with an irresistible anti capitalist revolutionary potential.

The most farsighted sections of the American bourgeoisie are perfectly conscious of this prospect and the dangers that it holds for the survival of their system. The crisis of leadership which affects this bourgeoisie at the present time, reflects the need it feels for a reorientation and a tackling of the internal contradictions (determined partly by the opposition of material interests and partly by different assessments and political choices) that it has to resolve on the road to this reorientation. The internal political life of the U.S.A. between now and the presidential elections at the end of 1972 will be dominated by the effort of this bourgeoisie to contain the terrifying social crisis which is ripening inside the United States, to 'reintegrate' at least partially the rebellious forces which have appeared and to reduce the costs of defence of the world capitalist system taken in charge by American imperialism: to consolidate the deteriorating competitive position in relation to its allies and rivals. Essentially these efforts mean that American imperialism is going to export to other capitalist powers part of the financial, economic, and social charges which result from the heightening of the general crisis of the imperialist system, and the American bourgeoisie will endeavour to use a part of the resources thus freed to alleviate the internal social contradictions in the U.S..

Blackmailing other states by threatening the withdrawal of U.S. troops from Europe and Asia will probably suffice to force the imperialists in Western Europe and Japan to undertake a greater role in the military defence of 'free enterprise' in Europe and Asia. The European imperialist powers, the case of Japan is slightly more difficult, will possibly try to develop their own autonomous nuclear 'strike force' centered on French and British nuclear arms. This will be made easier by the entry of Britain into the Common Market.

In addition to these military manouvers and in order to consolidate the dollar, U.S. imperialism will attempt to combine increased protectionism and a decrease of capital exports from the U.S.A., with a new effort to re-equip U.S. industry so as to regain a lead in technology and labour productivity over its main European and Japanese rivals. The European bourgeoisies will have to react by speeding up the creation of the multinational companies which would alone be capable of competing with the multi-national companies dominated by U.S. Capital with some chance of success. This explains why the French bourgeoisie have abandoned the Gaullist veto on Britain's entry into the Common Market. The Soviet bureaucracy is aware of this danger and is trying to gain time by clamouring for a 'European security conference', and by supporting all the capitalist forces in Europe which hesitate to undertake the clash with the working class which is necessary for the success of these manoeuvres. It has met with a more favourable response than in the past, not only from European social democracy, but even from NATO. This is due to the fact that American imperialism is not opposed a priori to a temporary political and military weakening of the West European imperialist powers in order to reinforce its policy of blackmail and pressure.

If the present crisis of U.S. imperialism reflects the reduction of the room for manoeuvre of the U.S. in relation to the enormous tasks that it has taken on, we should not conclude from this that its reserves have completely disappeared. If American predominance in the capitalist world has entered a decline, U.S. imperialism still retains an important margin of superiority over its principal rivals. It is not external events that will prevent the American bourgeoisie from finding a new temporary equilibrium, at the expense of its principal rivals. The most formidable obstacle which blocks the road to this new equilibrium is in the U.S. itself.

The present political radicalization in the West is potentially more explosive than that of the '30s. It embraces the most oppressed and exploited sectors of bourgeois society, above all the blacks and Chicanos, whose demands cannot be satisfied without the complete destruction of Capitalist society. American imperialism's political and social reserves are smaller than 40 years ago, its integration into the world economy is greater and although the class struggle is deeper, the margins for concessions to the working class are narrower than previously. The Rooseveltian governing coalition was built on the basis of granting concessions to the unions, the labour aristocracy and the union bureaucracy. The mass movement was reintegrated into the two party system by means of these concessions, thanks to the treacherous role played by the stalinists. Today it is more difficult to grant such concessions. The influence of reformist tendencies such as the C.P. is much less than in Roosevelt's time. The reintegration of the powerful movement of revolt into the two party system will be correspondingly more difficult. It is on this issue that a struggle will take place between those who strive to retain the social explosion within the present bourgeois framework and those who concentrate on that independent anti capitalist mass action of workers, exploited and oppressed, which in the last analysis will decide the capacity or incapacity of the American bourgeoisie to halt once more the social crisis which is ripening in the U.S. and therefore restrain it once more at the threshold of a fundamental shaking of the capitalist structure.

III

The Vietnam war has been the most important international confrontation in the world between imperialist forces and anti-imperialist and anti-capitalist forces in recent years. The struggle against the Vietnam war has been the principal unifying force of the radical opposition movement against capitalist power in the U.S. during the same period. In this context students, national minorities, trade unionists, feminists, radicalized workers, have been able to find a common objective in the struggle clearly directed against the interests of Capital and the bourgeois government in the U.S.

The size of the April 24th demonstration was a clear indication to the U.S. bourgeoisie that it could carry on with the Vietnam war only at the cost of broadening, and worse from its point of view, at the expense of a growing politicization of an increasing section of the American working class. Such a possibility would go against the fundamental strategy of the bourgeoisie for the coming period. For a whole section of the bourgeoisie the ending of the Vietnam war has become an urgent political task. A symptom of

this was the recent conflict between the Nixon administration and the New York Times over the publication of various documents which crudely revealed the cynical way in which the successive governments of Eisenhower, Kennedy, Johnson and Nixon have lied in order to justify the war in Vietnam.

The deep divisions within the American bourgeoisie on the conditions for ending the Vietnam war reflect the dilemma with which imperialism is confronted on the world scale. An immediate retreat of U.S. troops from Vietnam in exchange for a liberation of American prisoners by the DRV would be regarded by the Vietnamese masses and the masses of S.E. and S. Asia as a colossal military, political and social defeat of imperialism. The expansion of the revolutionary process in the Indian peninsula would receive powerful encouragement from such an outcome. Imperialism's efforts are therefore concentrated on attempting to carry out a retreat in conditions which make the encouragement of revolutionary movements as limited as possible. Since the Soviet bureaucracy no longer wields enough prestige with Asian revolutionaries to effectively be able to betray their struggle, a wing of the American bourgeoisie wants to involve the Maoist bureaucracy in this task. This is the meaning of the ping-pong diplomacy between Washington and Peking.

From the beginning of the Sino Soviet conflict we have explained the fundamental source of the conflict not in terms of Mao's personality, nor in terms of the greater poverty or riches of one or the other wing of the bureaucracy, and still less by the more 'stalinist' character of Mao in relation to the leaders of the Soviet bureaucracy. The essential origin of the differences is to be found in the fact that *imperialism has accepted a relationship of peaceful co-existence with the Kremlin, but has up till now refused to do the same with Peking.* The relationship of the Maoist bureaucracy to imperialism on the one hand and to the masses on the other is a fundamental determinant of the situation. It was obvious that during the whole of the '60s these two relationships differed only quantitatively and not qualitatively from that of the Soviet bureaucracy in its various guises of Stalin, Khrushchev and Brezhnev. This analysis has been confirmed by many tests - the Sino Indian military conflict, Vietnam, the struggle in Latin America, May '68 in France, the intervention of the Warsaw pact armies in the Czechoslovak Socialist Republic, and in the struggle of the Palestinian people.

From the time when imperialism began to show its desire to establish relationships of peaceful coexistence with Peking, commercial exchanges, even 'good neighbour' relations similar to those it maintains with Moscow, one of the constant factors which determined the more radical and 'leftist' behaviour of the Maoist bureaucracy (and of orthodox Maoist groups through the world) began to disappear. Mao's international politics went through an evolution to the right. The cynical betrayal of the Bengali people's struggle for self determination, the no less cynical help extended to Madame Bandaranaike's cabinet (which has in fact made the Maoist bureaucracy enter into a Popular Front with Washington, London, Moscow, Belgrade, New Delhi and Islamabad) are not isolated incidents. At the same time as courageous young Maoists are being persecuted in Iran, the Shah's sister is received with great pomp in Peking and her brother feted as a 'fighter against Imperialism.' To buy the establishment of diplomatic relations with different semi colon-

ial governments in Africa, Peking has not hesitated to grant them a certificate of 'non alignment' even of being 'progressive.' This even extends to the bloody counter-revolutionary government of the Cameroon. From the latest news, Peking would approve the entry of Britain into the Common Market in order to reinforce 'Europe', capitalist and imperialist but that's a secondary contradiction which Mao can brush aside, against the principal enemy, U.S. imperialism. As for this principal enemy, Mao would gladly do business with it as soon as it shows itself willing to negotiate.

There remain the second set of factors which determine the international politics of the Maoist bureaucracy, the relationship with the masses. The process of politicization of Chinese youth has run deep since the Cultural Revolution. The way in which this revolution was ended has put a stop to it, but the bureaucracy has not been able to suppress all of its effects. The Vietnamese revolution enjoys an exceptional prestige among young people throughout the world and including inside the People's Republic of China itself. This is a factor which imposes limits on the room to manoeuvre of the Maoist bureaucracy. So, despite its shift to the right, Peking has just granted further military aid to Hanoi. The Maoist bureaucracy is stumbling still further into its own internal contradiction.

When Stalin went over from the '3rd period' to the Popular Front policy, then to temporary alliance with Hitler, and finally to close collaboration with western imperialism, the international working class experienced the blackest phase of defeats and setbacks in its whole history. The Soviet working class was prostrate and demoralized with no perspective of autonomous action. The menace of fascism hovered over the whole world and obscured in the eyes of large sections of the proletariat the true counter-revolutionary meaning of Stalinist policy. Today the right turn of the Maoist bureaucracy takes place in a completely changed world context. An impetuous growth and not a recoil of world revolution is taking place. It's not a period of temporary stabilization, but on the contrary, one of a new heightening of the general crisis of the imperialist system. Under these conditions the counter-revolutionary effects of Peking's rightist politics will be more limited than the equivalent politics of Moscow in the '30s and '40s. From this fact stems Washington's doubts on the ability of Peking to effectively stop the revolution in Asia, even if Mao was prepared to give every guarantee on the subject. In countries like Thailand, Burma, Malaysia, Philippines, where the movement is still weak and therefore depends closely on the political, military and material aid of Peking, the rightward turn of the Maoist leadership could temporarily throw back the revolutionary process. In Vietnam, India, Ceylon and Indonesia, where the anger, experience and consciousness of the masses is already far advanced the chances of U.S. imperialism succeeding by diplomatic ping-pong are much more limited.

In any case imperialism's defeat in Vietnam would have much too stimulating consequences on the international upsurge of the revolution to be neutralized by the confusion which the right turn in Chinese policy will cause in some quarters. For a decade a new revolutionary vanguard has been formed and reinforced throughout the world and exists to some extent independently of the traditional leaderships of the mass movements. Inside this

vanguard Trotskyists and Maoists are the principal organized currents. If the rightist course of Peking defines and reinforces itself, it will not be the world revolution which will suffer severe reverses, it will be the international Maoist current which will decompose. The whole sincerely revolutionary wing will abandon it and it will become reduced to a hard core of bureaucrats irremediably attached to a 'state guide.' This will present a tremendous opportunity for building the Fourth International. In colonial and semi-colonial countries the armed actions of the sections of the Fourth International in Argentina, Bolivia, India and other countries shows the possibilities which now exist for Trotskyism. In Europe and the United States the upsurge in the strike struggle has led in every country to the Fourth International strengthening its links with the working class. As the crisis of international capitalism deepens, it becomes more and more obvious than only an *international* organisation can face up to the problems with which the revolutionary left will be confronted. As the only centralised international revolutionary tendency, the Fourth International can confidently anticipate greater gains in the coming period even than those made in the last. The Turin conference of European trade union militants and the demonstration of 35,000 organised by the Fourth International in commemoration of the centenary of the Paris Commune is only a beginning.

5 July, 1971

(1) These figures are an understatement of reality since they only account for the partially unemployed in Italy, Japan and France, and not in the U.S., Britain and Canada. They do not include either the millions of people which as the bourgeois economists so elegantly put it 'have retired from the labour market' since they were in any case convinced that they would not be able to find a job.

(2) See notably the Editorial of Quatrieme Internationale no. 49, May '71. 'La revolution permanente s'etend en Asie.' Among the secret documents published by the New York Times a memorandum sent by the Secretary of Defence MacNamara to President Johnson, dated the 16th March 1964, declares that the Vietnam war is considered by the whole world as a 'test of the capacity of the U.S. to help a nation (sic) to reply to a communist 'war of liberation'.'

Results & Prospects for British Capitalism

Sic Transit Gloria Mundi

The collapse of the economy of British imperialism is one of the most dramatic events in the history of the world. In the year 1900 Britain produced over 15% of the entire industrial output of the world. It produced over 20% of all coal, pig iron, steel and cotton. Over 20% of all world trade was in British goods. The British Empire was the greatest the world had ever seen. Lord Curzon could rest assured as Viceroy of India that if trouble were brewing anywhere in the world then the British navy, maintained at a two to one superiority to any other navy, would swiftly put an end to it. Even this was a slight decline from the position of total domination that Britain achieved earlier in the nineteenth century. Both Germany and the United States had passed Britain in the production of steel by the early 1890s, and as early as the 1870s Britain's share in steam power had fallen to less than a quarter. Nevertheless, the late Victorians, basking in their Imperial glory, could never have imagined even in their wildest dreams that within one life span Britain would have become the 'sick man of Europe', its industrial supremacy shattered, and having to beg on the most humiliating terms to enter an economic Cartel of 'Continental'. This unprecedented collapse has, of course, had tremendous effects on the political life of Britain, these effects continue to increase in intensity and can only find a violent outcome.

The first revelation of the precarious position of British Imperialism came with the First World War. Comparing the pre-war period to 1929, we find that the volume of imports had risen by 20% and the volume of exports had fallen by 20%. British exports had fallen from 13.11% of the world's total in 1913 to 11% in 1927-29.⁽¹⁾ Although the United States had greatly in-

creased its share of world trade, Britain's recovery was still slower than the rest of Europe. In 1927 the value of Europe's exports was 45% higher than in 1913, but Britain's exports were only 35% higher.⁽²⁾ In fact, in real terms Britain's export trade had declined. Britain was selling less, compared to pre-war, than any other country. Britain was only saved from extreme problems then by a movement in the terms of trade of 14% in her favour. (This of course being largely at the expense of the suppliers of raw materials, i.e. her colonies. Trotsky was absolutely right when he wrote that 'The 'peaceful' English and French democracies rest on the suppression of national - democratic movements of hundreds of millions in Asia and Africa for the sake of the super profits derived from them').

During the decade before the 2nd World War, Britain was helped by another move of 19 points of the terms of trade in her favour. However, despite this, her trading position still deteriorated rapidly. Taking 1927 as index number 100, by 1937 the value of British imports had fallen to 84.4, but the value of exports had fallen to 71.7. Not until 1935 did a real surplus on the Balance of Payments reappear after the collapse into deficit in the early 30s. Mowatt summarises the situation as follows:

'Danger signals were ... there for those who would read them: the export of gold, and the decline in new overseas capital issues, which was all the greater if the sums coming in as repayment of past loans and investments were placed alongside... More than ever the country was living off its fat.'⁽³⁾

It was the disparity between the enormous Empire of Britain and its relative economic weakness that was one of the contributory features leading to the Second World War. As Trotsky put it:

'The flagrant and ever-growing disproportion between the specific weight of France and England ... in world economy, and the colossal dimension of their colonial possessions are as much the source of world conflicts and of new wars as the insatiable greed of the 'fascist' aggressors ... A new partition of the world is on the order of the day.'⁽⁴⁾

But of course given the specific weights of the countries involved, neither France, Germany, Japan, Britain or Italy could emerge as the victors. Instead '... the United States is heading towards an imperialist explosion such as the world has never seen.'⁽⁵⁾

Economically, the war smashed the Western European economies. By 1945 they were in a state of almost total ruin. American imperialism could have finished off its competitors for good. Unfortunately for it however, two states had emerged victorious from the holocaust. The Soviet Union

was a more dangerous rival in an economic, and above all, in a political sense, than any possible rival imperialism. In this struggle the U.S. required allies. It began to revitalise the shattered European economies. In addition, the re-armament boom directed against the Soviet Union created the conditions for a boom that was later reinforced and deepened by the increased use of technological innovation. Stalin having kept his side of the Yalta bargain, and prevented the French and Italian C.P.s from seizing power, was now to find the economies of these states, and that of Britain, were built up to be used against the USSR. The theory of 'socialism in one country' had shown yet again that it was incapable of defending the USSR. As far as Britain was concerned, however, the immediate post war period was to be a fool's paradise followed by a long drawn out nightmare.

The roots of the boom

The initial conditions for the post war boom in capitalism were created by the conjuncture of a high rate of profit and conditions for the realisation of that high rate of profit in terms of a steadily growing market. This made possible high rates of capital accumulation and a period of rapid technological change. More specifically, we can identify the following factors as underlying the period of capitalist expansion.

1. The defeat of the German, Italian, Japanese, and French working classes produced an upward shift in the rate of surplus and, in consequence, a high rate of profit. The defeats of these imperialisms in the war, and the betrayals of Stalinism after the war, enabled this high rate of surplus value to be maintained. In the long term, it was made possible by a massive restructuring of the reserve army of labour through an expanding labour population and the gradual absorption of an expanding rural surplus population (and in the case of Germany by the existence of more than 10 million refugees).

2. The need to rebuild materially destroyed towns and industries.

3. An enormous potential for profit created by the furious arming of imperialism throughout the late 1940s, 50s and 60s. This, together with the other features mentioned, both created the conditions for the introduction of technological innovations discovered at an earlier period, and itself stimulated a series of technological innovations.

4. A decline in the price of raw materials.

These features are obviously interrelated and by no means exhaust the features of the capitalist boom (see Ernest Mandel's paper to the Tilbury Conference: 'History of Capitalism and the Laws of Motion of Capitalism' - to be published).

The nature of capitalist change

The conditions creating the post war boom were complex and the existence of the boom itself came as a great shock even to a number, or indeed the great majority, of Marxists. However, nothing that has occurred defies explanation in terms of a Marxist analysis of the economy. Marx's analysis of capitalism did not lead to the conclusion that it was only possible for capitalism to develop in one direction - for example, towards ever increasing slumps. On the contrary, the fundamental formulae of 'Capital' are algebraic, that is to say, they express relationships and not directions of change. It is, in fact, impossible for capitalism simply to develop in one direction only. For example, with relation to the question of slump, Marx noted that:

'The periodic depreciation of existing capital - one of the means imminent in the capitalist mode of production to check the fall of the rate of profit and hasten accumulations of capital - value through formation of new capital - disturbs the given conditions, within which the process of circulation and reproduction of capital takes place, and is therefore accompanied by sudden stoppages and crises in the production process ... *The ensuing stagnation of production would have prepared - within capitalist limits - a subsequent expansion of production.* (6)

What however determines the change in the capitalist system or any other economic system, including most fundamentally of all its capacity for expansion, is its basic structural features. Or, as Marx puts it:

'... capitalist production meets in the development of its productive forces a barrier which has nothing to do with the production of wealth as such; and this peculiar barrier testifies to the limitations and to the: merely historical, transitory character of the capitalist mode of production: testifies that for the production of wealth, it is not an absolute mode, moreover, that a certain stage it rather conflicts with its further development.'

and that:

'Capitalist production seeks continually to overcome these imminent barriers, but overcomes them only by means which again place these barriers in its way and on a more formidable scale. *The real barrier of capitalist production is capital itself.* (7)

Marx's critique of capitalism in fact consists of showing not that capitalism must proceed along only one path, but that *regardless* of its line of dev-

elopment, the system could not survive. (Which is not to say, of course, that Marx did not regard some lines of development as much more likely than others).

Because Marx saw many possibilities of lines of development of capitalism, and in fact noted that contradictory tendencies were at work to determine its development, it is wrong in principle to attempt to argue for example that Marx is contradicting himself when he simultaneously talks about the grinding down of the proletariat, the raising of its cultural level, its atomisation, its concentration in large numbers, its relative emiseration, its absolute emiseration, its increasing its share in the total product, etc. All these are different aspects of the *same* process. The task of analysis is not to attempt to see these elements as mutually exclusive, but to see the relation between the different processes, and from this to derive the law of motion of the system over different periods of time. An example of the type of contradictory processes involved is illustrated in the following passage from the Grundrisse:

'... although every capitalist demands that his workers should save, he means only his *own* workers, because they relate to him as workers; and by no means does this apply to the remainder of the workers, because these relate to him as consumers. In spite of all the pious talk of frugality he therefore searches for all possible ways of stimulating them to consume, by making his commodities more attractive, by filling their ears with babble about new needs.'(8)

Here Marx gives a clear example of the contradictory development of the capitalist system.

If Marx's formulae (as opposed to his total analysis which does delimit the laws of development with great precision) do not express the general tendency of development, they do state very exactly the effects of change in one part of the system on the rest of the system. Consider for example the most basic equation of Capital (most basic in that it defines the relations of all the basic elements of economic analysis), that for the rate of profit

$$p = \frac{s}{c + v}$$

Here clearly, if the organic composition of capital rises, then unless the rate of exploitation rises in proportion, the rate of profit will fall. As the rate of profit (absolute and relative) is the determinant of investment, the change in the rate of profit affects the entire system, including of course the organic composition of capital. All of the elements in the equation are determined by a complex of (contradictory) relations. Some of these are very directly related to the overt class struggle - to raise the rate of exploitation for example can be done by simple wage cutting (although it can also be done more subtly by 'improved' job planning, rearrangement of work, etc.). Other determinants have a relative autonomy from the overt class struggle.

One of the most important of these is the cheapening of the elements of constant capital by technological change.

It is a characteristic of capitalism that it continually increases the *mass* of machinery and other forms of capital set in motion by the worker. This does not necessarily mean that the value set in motion increases. If it does mean this then certain unpleasant consequences for the capitalist follow. The most important of these is that unless the rate of exploitation can be raised then profits will decline. To raise the rate of exploitation is however, as we have noted, an action which typically involves overt class struggle. It is particularly difficult therefore in countries where the proletariat is able to organise. For this reason (a) the rate of exploitation tends to be higher in countries where the economy, and therefore usually the organisations of the proletariat, are not well developed⁽⁹⁾, (b) in countries with a developed and organised proletariat, the working class usually maintains or even increases its share of the economic product⁽¹⁰⁾. For this reason increased exploitation is difficult and politically risky. A more satisfactory solution is therefore to increase the mass of capital without increasing its value. This is the process described by Marx as 'cheapening the constant elements of capital,' and is known to bourgeois economists as 'capital saving technological change.' This process is one which prevents falls in the rate of profit by maintaining the organic composition of capital at a constant level. It is a process which appears to have caused a relative stabilisation in the organic composition of capital since at least 1945.⁽¹¹⁾ This is not to say that there has not been a fall in the rate of profit, but this has been largely due to the combativity of the working class and not to change in the organic composition of capital - see Sutcliffe & Glyn op.cit.

The problem for capitalism in this type of solution is that it requires an unprecedentedly high level of investment in order to sustain the change necessary. The system therefore works best in harness with other methods of keeping up the rate of profit (arms expenditure, government intervention, monopoly control of the market).⁽¹²⁾

This latter point is of key significance when the Marxist theory of the rate of profit is considered. It is generally thought that Marx identified as one of the crucial contradictions of capitalism a tendency for the rate of profit to fall. This is however only partially correct. What Marx in fact identified was a contradiction between an *increasing mass* of profit and a *declining rate* of profit. This is outlined in many places in the sections of the third volume of 'Capital' devoted to the declining rate of profit. Thus, for example, Marx writes that:

'the same causes that bring about a tendency for the general rate of profit to fall necessitate an accelerated accumulation of capital and, consequently, an increase in the absolute magnitude, or total mass, of the surplus-labour (surplus value,

profit) appropriated by it.'

and concerning capitalism's tendency to decrease the amount of socially necessary labour time involved in producing any commodity, he writes that:

'The fall in the commodity-prices and the rise in the mass of profit on the augmented mass of these cheapened commodities is, in fact, but another expression for the law of the falling rate of profit attended by a simultaneously increasing mass of profit.'

What has occurred since the war is that the mass of profit has grown remorselessly, but the rate of profit has not declined in the way it has done in previous periods of capitalist expansion, (or more accurately, it has not declined to the same extent because it has declined for different reasons!). What has occurred however, is that the increased mass of profit actually becomes a threat to the stability of the system if profitable outlets cannot be found for it. A general decline in the rate of profit decreases the number of such profitable outlets, and in this situation the enormous increase in the mass of profit becomes one of the main elements undermining the possibility of capitalist expansion.

Changes in the position of British imperialism since 1945

The features of the boom just discussed have been common to all imperialist states. They are dialectically both a product and a cause of the political passivity of the working class. In Britain however the effects of the boom were determined by the specific peculiarities of Britain's economic history.

As a major economic power, British imperialism was, in an historical sense, smashed by World War II. Immediately after 1945 however it was revived by the needs of U.S. capitalism and by changes in the patterns of trade. In 1945-46 the Anglo-American and Anglo-Canadian Financial Agreements provided U.K. with long term loans of 3.75 billion dollars and 1.25 billion dollars respectively at rates of interest of only 2%. This helped the period of rebuilding British capitalism, but probably not as much as did the virtual extermination of the fastest growing rival imperialisms - Germany and Japan. Their share of world trade fell to less than half its pre-war value. In this situation Britain's share of 'world' exports of manufactures rose slightly. From 21.3% to 25.4% according to one estimate.⁽¹³⁾ But despite a movement in the terms of trade of 19 points in Britain's favour in the period 1950-60 (taking 1938 as index number 100)⁽¹⁴⁾, it soon became apparent that this was a purely short term improvement in Britain's position. Even the terms of trade advantage began to slow down by the 1960s. Between 1960 and the middle of 1968, although the terms of trade on goods improved by slightly less than 3% the deterioration on services was approximately 15%.⁽¹⁵⁾ Even by the beginning of the 1950s it was obvious that British imperialism was undergoing a rapid decline.

The most obvious change is the decline of British imperialism relative to its 1900-60 competitors. This is reflected most obviously in its declining share in world trade. In 1955, the British share of exports of manufactures from the twelve main exporting nations was 19.8%. By 1967 it had fallen to 11.9%. This fall had been largely due to the continuation of the process at work before the war, i.e. the development of German and Japanese capitalism. In the same period, West Germany's share of this trade increased from 15.5% to 10.7%, and that of Japan rose from 5.1% to 9.9%.⁽¹⁶⁾ From the late 1950s onwards, this process began to reveal itself in a fundamental disequilibrium in the Balance of Payments. The moving average in ~~frillion~~ of the balance of exports and imports was from 1955-57 to 1963-65 -96, +19, -38, -163, -223, -217, -109, -237, -296.⁽¹⁷⁾

What the changes in the position as regards foreign trade and payments indicates was the removal of the conjunctural factors which during the 1950s had hidden the decay of British capitalism. This decay was speeded up by a number of features, notably that the British working class suffered no major defeat during the 1950s which was comparable to, for example, De Gaulle's accession to power in France. This relative strength of the working class was reflected in a relatively low rate of surplus value when compared to competitors.

There was not the same need to rebuild afresh the British economy after war destruction, and so the archaic structure of British industry was not radically overhauled and the process of technological innovation, particularly in key industries such as steel - was not undertaken sufficiently early, if at all. Given these underlying features, the slow rate of growth of British industry generated its own 'vicious circle' - low rates of capital accumulation and productivity growth meant that rising money wages cut deeply into profits or were reflected in higher prices that would price Britain out of world markets. Furthermore, the resultant uncompetitive nature of British industry led to periodic bouts of deflation as the government sought to restore balance of payments equilibrium, which further discouraged a high investment rate.

These features, and particularly the latter, reveal them in all indices of the performance of British imperialism. Taking the rise in gross national product over the period 1950-60, Britain's average increase was 2.6% compared to 3.2% in the United States, 4.4% in France, 5.9% in Italy, and 7.6% in West Germany.⁽¹⁹⁾ The situation is the same in the perhaps more crucial figure of productivity per head. Over the period just dealt with, output per worker went up by 1.9% in Britain, 2.1% in the United States, 3.8% in France, 4.1% in Italy and 5.3% in West Germany. () The situation since 1960 shows little real change. Output per worker in the period 1960-68 was up just over 20% in Britain, whereas in Germany it was up by over 60% and in Japan by over 100%.⁽²⁰⁾

Partly as a result of these changes and partly leading to them has been

the effect of the policies dictated to British capitalist governments (as noted in point 3 above). Take, for example, the case of unemployment. This has a real effect on making worse Britain's competitive position (although its uncompetitiveness also makes it adopt it). The average unemployment for the post war cycles has been rising steadily. For 51-55 it was 1.5%, for 55-61 it was 1.6%, for 61-65 it was 1.8%. The peaks have also been increasing; 2% in 1952, 2.2% in 1959, 2.5% in 1963.(21) In terms of lost production, this is disastrous. This is difficult to calculate but M.C. Kennedy gives the example of the second quarter 1963 to second quarter 1964. Unemployment went down by 0.8% and Gross Domestic Product went up by 6%. This shows the losses in terms of lost production. Perhaps even worse is the loss in productivity involved. This clearly went up more rapidly in periods of full employment than in unemployment (consider period 1956-67). For example in 1963-64 productivity went up by 4.7%, while in 1960-61 it only increased by 0.3%. If you consider the peaks, only in 59-60, 60-61, 62-63, 63-64 (all years of boom) did productivity go up by more than 3%. in 56-57, 57-58, 60-61, 61-62, all years of high unemployment, it went up by less than 1%.(22) Of course some of this change simply reflects increased utilisation and plant, but to the extent that unemployment reflects changes in demand and therefore effects investment decisions, it can be seen that this necessity to periodically 'freeze' the economy will effect productivity due to this feature as well. Certainly the long term failure of productivity to grow at a commensurate rate with imperialist rivals cannot be explained in terms of changes in capital utilisation. The situation here is as follows:

Average annual rates of growth of productivity in manufacturing.(23)

	1950-70	1965-70*
Belgium	3.84	5.68
France	5.64	7.84
Germany	4.72	6.28
Italy	6.88	4.78 (6.43)**
Netherlands	5.0	7.76
USA	3.16	1.56
UK	2.6	3.44

* The latest observation is mostly first quarter, 1970.

** 1965, first quarter to 1969, second quarter.

By the mid 1960's the conjunctural factors which had disguised the decline of the British economy had virtually disappeared. Also the possibilities of solving the crisis of foreign payments and trade by short term borrowing were becoming exhausted—the various exchange crisis of the Wilson government revealed this only too clearly. From then on the British bourgeoisie developed a strategy based on:-

1. A rapid process of horizontal mergers.
2. a) Experiments with Incomes Policy to deal at the national level with

the workers' movement.

b) Donovan, *In Place of Strife*, productivity bargaining to deal at the local level with what Donovan termed 'the lower half of the dual industrial relations system' and cut away the power of a strongly entrenched shop stewards' movement. This tendency, has, of course, reached its furthest limit in the Industrial Relations Bill.

3. Devaluation.

4. Deflation and an increase in the level of unemployment, a) to restrict the demand for imports and 'set free' resources for import substitution and exports, b) to cut back the rate of increase of wage rates.

The Genesis of the Present Economic Situation.

As a result of the various measures mentioned above, the Balance of Payments went into surplus in 1969 and has remained in surplus since then. However, as we shall see later the actual nature of this surplus has changed radically. It is now mainly due to rapid rises in export prices and the slow growth in import prices which reflect a rapid decline in Britain's competitiveness. In 1969 and 1970 it was mainly due to increased competitiveness on world markets consequent upon devaluation and a rapid growth in world trade. Needless to say the present situation is very unstable (see below). The chief economic problem for the British bourgeoisie is still a very low rate of surplus value. This situation was intensified from mid 1969 by a rapid escalation of militancy on the part of the working-class. This was partly due to the very slow rise in real disposable incomes up to 1969, a factor of rising import prices, increased indirect taxes and monetary and fiscal restraint. Thus although average earnings increased at a rate of just over 3% in 1967, 8% in 1968 and just under 8% in 1969, personal disposable incomes rose by about 1½% in 1967, 1¼% in 1968 and only about ¾%. The massive increase in militancy that followed and which pushed up the wage costs of employers phenomenally nevertheless increased personal disposable incomes by only about 4% in 1970. The other factor in the so called 'wage explosion' was the subjective effect on the militants following from the governments withdrawal of 'In Place of Strife' in 1969. (24)

The strike wave and militancy has been across the board and in most industries. 'The broad picture that emerges is of a widely based increase in strike action across most industries, the main characteristic being more strikes, not normally involving many more workers but lasting longer than in previous years. More specifically, many industries which have previously avoided major strikes over the last decade have all in the same year been faced with just such a strike. This tendency has not been counteracted by a reversal of the recent trend in lost days in the most traditionally strike prone industries.' (25).

The Present Economic Situation and the Economic Prospects for 1971-72

Wages: The rapid rise in wages is still the dominant feature of the economic landscape. The situation is changing from day to day but as at the end of April the rate of pay settlement in the UK were levelling out but not falling.

'The latest data on pay settlements are believed to show the rate of wage awards has levelled out in recent months around 10½% to 11%. These figures refer to nationally negotiated weekly pay rates weighted for the time which has elapsed since the last increase. And the 2% has to be added to the figures to take account of wages drift'—i.e. about a 12½ to 13% increase (Financial Times April 28). Since prices are rocketing up this does not totally come out of profit, but from the bourgeoisie's point of view this is a long way from satisfactory.

a) Because wages are going up too rapidly to allow them to reconstitute profit rates from their catastrophically low levels. b) Because the rapid increase in prices that is leading to declining competitiveness on world markets is being perpetuated.

It should always be kept in mind what was mentioned earlier that Britain has had a lower investment rate than her competitors and this partially reflects a lower share of profits in the national income than is the case in other imperialist countries. Thus the present situation has to be seen in the light of the long run need of the bourgeoisie not only to stop so called 'wage inflation', but to put it into reverse and increase the share of profit in the national income.

Share of profit as a % of value added by the company sector:-

1950-54	55-59	60-64	64	65	66	67	68	69
25.2	22.8	21.0	21.2	20.2	17.7	18.1	16.8	14.2

Post tax rate of profit:- (26)

8.1	8.4	7.3	7.1	7.9	5.8	6.0	4.8	3.2
-----	-----	-----	-----	-----	-----	-----	-----	-----

Although there has been some success in the public sector in bringing down wage rates, nevertheless the private corporate sector is undoubtedly 'letting the side down'. Additional measures to deal with the situation in the private sector are therefore likely. Amongst the 'solutions' being canvassed are a wage freeze and an 'excess wage settlements tax'.

If a wage freeze were introduced it could not be the sole measure used by the bourgeoisie. As one class conscious representative of the capitalist class has noted, 'It is a policy for a decade that we seek, rather than for a month or a year.' (27). More likely than a straight freeze (though this cannot be ruled out) would be a 'threshold' scheme which would not allow wages to rise more rapidly than prices. Then all increases in productivity would be reflected in a declining rate of increase of prices and/or in increased profit margins.

There appear to be two main schemes being canvassed for an 'excess wage settlements tax' (28). One, favoured by the 'Economist' and its acolytes, recommends a tax directly against employees. All wage increases above a certain level (say 6%) would be taken back by the state in increased National Insurance Contributions. There would thus be no point in trying to get more than the 6%. The political implications of that sort of measure are, of course, quite glaring. The other version is as a tax on employers who give 'Excess Wage Settlements' this would give them an added incentive to stand

and fight. On April 13 the Financial Times reported 'This was examined by the Treasury but discarded on the ground that it would be almost impossible to administer fairly and effectively'. (This article written by John Bowne, reports that the Government intends to press on with its present policy but if this policy does not work, 'Ministers will have to recognize that they are clutching at straws and then undertake a major review of their whole policy.' Such a major review must now be round the corner.)

The problem with an 'Excess Wages Settlements Tax' whatever its form (against employers or against employees) is that it would lack flexibility. The CBI opposed Incomes Policy because in some industries at least—employers want to attract labour and so put up the price of labour power to enable them to expand. Once, however, one allows exceptions to your policy—like 'Productivity Deals' or 'low paid workers' or whatever, then the way is free for strong unions and/or acquiescent and weak management to drive a coach and horses through these exceptions. At the present time, however, it is a choice for the bourgeoisie between flexible ineffectiveness and a contrived catastrophic economic crisis—or a salvation at the price of some loss of flexibility in the long term. In any 'major review of their whole policy', therefore, the variant of 'Excess Wage Settlements Tax' are serious contenders.

A tax which made employees stand and fight would have the added advantage that the present strikes are not the localised short and official stoppages that the Industrial Relations Bill is primarily being brought in to deal with. They are national official stoppages in which the payment of strike pay is necessary. (29) There were a record 9.5 millions working days lost during the 1st 3 months of 1971 and this is not counting about 3 million days lost through strikes against the Industrial Relations Bill—these compare with 2.2million in the same period in 1970, themselves regarded as abnormally high. But if we compare the **number** of strikes then there were 1,212 in Jan-March 1970 and 595 in Jan-March 1971. Thus strikes are now fewer in number but last longer. Such strikes lead to massive payments in strike pay—which the Unions cannot sustain over a long period. From this fact some sections of the bourgeoisie led by the 'Economist' are developing a strategy. What however, the Ford strike has done is to draw off Mr. Jack Jone's fire from other industries notably the chemical industry which is due to talk wages with his T&GWU next week. The Union has paid out more than £1 million to the Ford strikers. Having done that it is in no position to mount another major strike until its strike fund recovers. (31) A tax which made employees stand and fight would wear down the Unions fairly rapidly in this respect, it is calculated. The problem for all these ingenious schemes is of course the resistance of the working class. In particular it is the problem of confronting a working class which has not suffered a really major defeat since 1945 and which has become accustomed to the changes in standards of living which were associated with the boom.

Another way of dealing with wages and a subject in itself is:

Unemployment: The classic capitalist answer to rising wages is, of course,

unemployment. Unemployment has risen more rapidly than the government envisaged last year. Output has grown less rapidly than it was thought it would because of:

- (1) a less than expected level of investment;
- (2) a rise in the savings ratio that has meant that rising wages have not been reflected as much as expected in rising consumption;
- (3) a stagnation in export volume demand reflecting declining competitiveness (export values have risen rapidly as export prices have risen);
- (4) a rising volume of imports.

In short, the system is responding automatically to rising wages - investment has stagnated because of declining profit rates and the acute liquidity position of companies; the savings of many workers have risen - probably due to the fear of unemployment and the possibility of being on strike. This has led to stagnating consumption. The volume of exports has not risen because of rapidly growing British export prices, and imports have risen rapidly in volume terms because price-wise they are more competitive than British goods.

As a somewhat distinct cause of rising unemployment, there is a rising tide of bankruptcies reflecting the very severe squeeze on company liquidity - with sales stagnant, wages rising and a fairly restrictive monetary policy. As it is there appears to have been a long run decline in corporate liquidity. The ratio of Total Current Liabilities to Total Current Assets (minus stock and work in progress) stood at 0.82 in 1954, 0.92 in 1960 and 1.01 in 1969. Since that time the situation has deteriorated seriously:

'Between the end of 1964 and the second quarter of 1970 the liquid assets of industrial and commercial companies grew by less than 6%, while their borrowing from banks increased by around 75% so that the ratio of liquid asset to bank borrowing fell from 1.16 to 0.70.' (Sutcliffe and Glyn).

The resulting rising tide of bankruptcies has been particularly among the smaller firms who have been viciously squeezed by their bigger brothers who are seeking thereby to resolve their own liquidity problem. There is a noticeable tendency however for the size of companies that crash to get larger, and the crashes receiving most publicity are, of course, among the larger firms, e.g. Hardley Page, V. & G., Rolls Royce, etc.

Added to all this there appears to have been a shift in productivity as firms 'shake out' labour in a desperate attempt to cut wage bills, and thus produce the same output with less labour. This represents an upward shift in the trend curve of productive potential thus widening the gap of unused capacity between output and productive potential. This is another way in which wage rises lead to rises in unemployment. It is noteworthy that the budgets calculations which Barber said would make output grow in line with the rate of growth in productive potential - i.e. about 3% - appeared to take

no account of this shift and increase in productivity which would add to unemployment. However, more recent statements seem to indicate that the Treasury is now aware of this and also that unemployment is to become a major weapon to defeat the working class offensive.

The Budget: The Budget was, of course, designed to add extra demand into the economy, and to partially alleviate the unemployment situation. But (a) the budget's reflationary effects will operate with a time lag on output and unemployment only follows output with a time lag. Thus the unemployment trend upwards would be unaffected by the budget till very late 1971 or early 1972. (b) the most 'optimistic' view of the effects of the budget and for the economy are those of the Treasury and of the Government at the time. These were that output would grow at the rate of growth of productive potential. Now even if we discount the shift upwards in the productive potential trend mentioned earlier then unemployment at best would not increase. The Government had no place for a decrease in unemployment. In fact, there are other reasons for expecting the 3% rate of growth of output to be over-optimistic. The Treasury's forecast of a 5.3% rise in consumption has been widely questioned, and it seems to be premised on a large fall in the savings ratio. But, as pointed out above:

'British workers have become increasingly wary of big spending as the prospect of being unemployed or on strike has become very real.' (Economist, April 3rd, p.58).

Unless consumption expenditure does rise fairly healthily, it is unlikely that manufacturing investment will respond simply to cuts in Corporation Tax. Furthermore, the actual reflationary potential of the budget measures themselves are problematic. No one quite knows what the effect of cutting SET will be on output and employment.

To sum up, there are a whole series of reasons for believing that unemployment will continue to rise, and it is quite clearly being seen as a major weapon against the working class offensive. There are, of course, certain political advantages to this approach, as the Government can say: 'Well, it's your own fault. If you continue to push up wages you are only doing yourself harm.' Actual measures like 'wage freezes' are not quite the same here.

Unemployment will almost certainly rise to over 1 million. A lot depends on business confidence. In this respect, a survey reported by the Guardian (April 7th), drawn from 107 directors of Britain's largest companies seems significant. To the questions 'Have your output and investment plans over the next 12 months been changed as a result of recent measures?', the answers were as follows(%s):

	output	investment
upwards	8	13
downwards	2	2
no change	90	85

Hardly a significant response to the budget.

Balance of Payments: The Balance of Payments of Current Account has remained in substantial surplus over the past year, but this is less due to improved competitiveness of British exports following from devaluation and the growth of world trade - which was the reason for the surplus in 1969 and early 1970. In the first half of 1970 the volume of exports was virtually unchanged and the 4% increase in export prices accounted for the whole increase in the value of exports. By contrast, import prices were little changed, and, allowing for some bunching of arrivals in the first half of the year, the volume of imports rose by some 4 - 5% between the two half years. Long term capital movements have been roughly in balance. (Bank of England QB, March 71, 7-8). The trends mentioned above for 1970 have continued roughly to date. At the beginning of 1971 the fall in interest rates elsewhere in the world led to a massive inflow of short term capital - domestic firms have drawn heavily on the wash of dollars pouring out of the U.S. to ease their liquidity problems and get round restrictions on domestic borrowings. The recent reduction of Bank Rate should serve to discourage some of this inflow of 'Hot Money'. The outlook for the balance of payments in the short term is of a continuing surplus - though of a decreasing size. The volume of exports and imports can eventually be expected to respond more markedly to the trend in their prices.

Imports are expected to continue to outstrip exports; between the first half of 1971 and the first half of 1972 their volume is expected to go up by 6.3% compared with export rise of 2.3% ... The clouds could be gathering again over the balance of payments before 1972 is out. (3)

In fact, the clouds could gather over the balance of payments a lot sooner than the end of 1972 - what determines when the crunch comes will be when speculators - who are, of course, already well aware of the underlying trends - decide that it is time to get out.

In short, the balance of payments is in fact very unhealthy. The *value* balance of payment is following the trends in the *volume* balance with a time lag, and the timing of the crisis will be determined by the nerves of the speculators. It should be mentioned that the typical response to a balance of payments deficit in the '50s and '60s was to deflate the economy - to increase the level of unemployment. A balance of payments crisis in 1972 would occur with the level of unemployment already at a record height. It would occur only 3 - 4 years after a devaluation, and also at a time when the Government is seeking to enter the Common Market (which will itself impose a substantial balance of payments burden on Britain.)

Long Term Prospects for British Capitalism: This, of course, is a highly speculative subject, and a lot depends here on the Common Market question. We may, however, add that the prospects for a slow-down in the world capitalist economy consequent upon the contradictions inherent in the present stage of capitalism also face Britain. Previously, the reasons for the boom

were analysed in terms of high rates of surplus value and hence of profit and a process of rapid technological change. The running down of the surplus agricultural population and the increased strength of the working class in the imperialist countries is undermining this, and making it difficult for the bourgeoisie to increase the rate of surplus value as the organic composition of capital rises. The result is a lowering of profit rates in all the imperialist countries. On top of this we must add that the interpenetration of the productive forces on a world scale tends towards a synchronization of recession in the imperialist countries, and makes the individual capitalist economies more difficult to control. Again the inflation that undermines the basis of the international monetary system also undermines the basis for a continually stable growth in world trade. In short, those factors which made for the simultaneous possibility of high profit rates and the conditions for their realisation through steadily growing markets domestic and foreign are being undermined. Britain, we have seen, was not fully able to exploit the advantages of the boom, but nevertheless its growth rate rose rapidly compared with the interwar years. Like the other imperialist countries it will share in the slow down. Rising wages and the cut in the rate of surplus value and profit that we have mentioned above has led to declining investment rates which must lead in the future to a lower rate of growth of productive potential (this is not to be confused with the once and for all shift upwards in the productive potential that was mentioned earlier as a cause of rising unemployment.)

- (1) Close integration, the absence of tariff barriers, the integration of the monetary systems of Britain with the EEC and the inability of Britain to devalue (the Werner Plan) would considerably speed up the process of decline of certain economic sectors - the so called depressed areas: N.E., N. Ireland, Scotland, etc. Resources would be free to move to more dynamic and growing sectors on the Continent and out of British industry, fierce competition would hasten the demise of certain smaller industries.
- (2) A substantial balance of payments burden would have to be borne.
- (3) Only big capital stands to gain through the ability to participate in the interpenetration of capital within the EEC which will save it from being squeezed between the giants of a United Europe and the U.S.A. In short, the urge to enter the EEC cannot be understood as something which is looked for by the bourgeoisie as a whole.

J. Marshall and B. Davey

- (1) GDH Cole 'British Trade and Industry', p.127, 129, 214-5.
- (2) Mowatt 'Britain between the Wars', p.263.
- (3) Ibid, p.435.
- (4) Trotsky 'A Fresh Lesson on the Nature of the Coming War.'
- (5) Ibid.
- (6) 'Capital', Vol. 3, Chapter 15.
- (7) Ibid, p.250.
- (8) quoted in Nicolaus, NLR 48, p.56.
- (9) Lloyds Bank Review, April, 1969.
- (10) Ibid and Sutcliffe and Glyn, NLR 66.
- (11) See for example Gilman 'The Declining Rate of Profit' and Blaug 'Technical Change and Marxian Economics' in 'Marx and Modern Economics', ed. Horowitz.
- (12) It is these features of capitalism which are sometimes termed 'neo-capitalism'.
- (13) D.J. Coppock 'Foreign Trade and the Balance of Payments' in 'The U.K. Economy, a Manual of Applied Economics', ed. Prest, p. 103.
- (14) D. Butler British Political Facts 1900-60.
- (15) Lloyd's Bank Review, April 1969.
- (16) Coppock, op.cit.
- (17) Economic Trends, June 1966.
- (18) Madison 'Economic Growth in the West.'
- (19) Ibid.
- (20) Lloyd's Bank Review, July 1969.
- (21) Kennedy in Prest, op.cit.
- (22) Ibid.
- (23) OECD.
- (24) London & Cambridge Economic Bulletin - Times, 4th Feb., 1971.
- (25) N.I.E.S.R.
- (26) Sutcliffe and Glyn, op.cit.
- (27) Prof. S. Wentrab, 'An Incomes Policy to Stop Inflation' - Lloyds Bank Review, Jan. 1971.
- (28) See Wentrab Ibid., 'The Economist', 10.4.71. and 24.4.71, 'Sunday Times Business News', 11.4.71, 'Financial Times', 13.4.71.
- (29) c.f. 'Financial Times', 29.4.71
- (30) 'The Economist', 3.4.71.
- (31) Sutcliffe and Glyn, op.cit.
- (32) 'The Economist', 3.4.71.

Further Developments(?) in State Capitalism

World Crisis, Ed. Harris and Palmer. Essays in Revolutionary Socialism, Hutchinson 1971, £2.25.

State Capitalist theory has historically found its origins in, and made its appeals to, two quite distinct currents: the liberal outrage at the barbarities of Stalin's Russia and a more thorough-going syndicalist current. What is peculiar about the International Socialists is the co-existence of these two trends in the same organisation. In the cold war '50s and early '60s, it was the liberals who were given their head and who, by and large, through their theoretically impressive journal, presented the public face which proved so attractive to the radicalising petty bourgeois who joined the organisation in small, but significant, numbers during the latter half of the '60s. In this volume we can appreciate the attraction which these essentially home-grown theories had on a whole generation of students when the only real competition for the Trotskyist label came from the incantations of the Socialist Labour League. For these essays are extremely well written and in as much as they challenge all the basic theoretical method and propositions of Marx and Lenin one is forced to re-examine and defend the very core of marxist method and theory. The epitome and best expression of the style of I.S. is the opening essay by Sedgwick⁽¹⁾ which is quite brilliant in conception and execution; whilst the challenge is at its most adept with Harman.⁽²⁾

In the day to day practice of the I.S. group, however, it has always been the syndicalist wing which decided the politics, but for a whole period the divorce between theory and practice was concealed by the relative political quiescence of the working class. It is the change in this latter aspect of the political situation quite as much as the theoretical challenge from the IVth International in Britain, which has demanded the clear drawing of ideological lines which is immediately obvious and significant about this book. It

remains to be seen whether this effects the hitherto happy coexistence in the same organisation of people with radically differing views. For, the mistaken premises which had led to I.S.'s syndicalist and in practice reformist conclusions, have now eaten away at, and destroyed, most of the Leninist (and Trotskyist) tradition which I.S. claim as their basis and inspiration.

Capitalism and State Capitalism

It is in relation to the Russian state that I.S.'s determining and characteristic revision in marxist theory is made. The syndicalism of the I.S. emerges precisely in the revision of the concept of capitalism to include the sort of economy found in the Soviet Union. It is this which makes the debate as to the nature of the Russian state, not one which is more properly left to theologians, but one which hits right at the very centre of theory and day to day practice. In effect, the theoretical acrobats involved reduce marxism from an enquiry which pretends to illuminate the 'laws of motion' of particular modes of production, to a more or less empirical defining of 'factors.' It is this methodological revision of marxism that suffuses the thinking of *all* the contributors to this volume. For the essence of marxist methodology (dialectical materialism), is the refusal to generalise according to a series of empirically conceived 'factors' or 'features,' but a recognition that all concepts and theoretical constructs are mere abstractions from a complex whole⁽³⁾ which, as Marx put it: '... can have no other form of existence except as an abstract one-sided relation of an already given concrete and living aggregate.'⁽⁴⁾

The point is that there are *any number* of elements which could be isolated depending on the purposes of the enquiry and the stage of development of the phenomenon under study.⁽⁵⁾ Consequently, marxists do not begin from the more or less arbitrarily chosen elements as the sum total of our understanding of a particular phenomenon, but come to an understanding of its underlying dynamic, i.e. identify the *relation* between all the different aspects, which gives the key to the development of the whole.⁽⁶⁾ This is what marxist science amounts to.⁽⁷⁾

This point is illustrated by the various attempts to explain the workings of capitalism as submitted by Harman and Kidron.⁽⁸⁾ Thus Harman isolated two 'factors' whilst Kidron manages four (perhaps, five). I don't intend to go into all the economics of the case as Mandel has already replied in detail to both versions presented here⁽⁹⁾ (Kidron's offering indeed is a word for word transcription of that which Mandel has already criticised.) What I would like to do is to make one or two points to make more specific my remarks made about method above.

For Harman, capitalism is defined by the fact that: '... each individual act of labour is related to each other, not by conscious planning, but by an unplanned and anarchic comparison of the products of that labour ... (and) ... that there is a separation of the workers from the means of production.'⁽¹⁰⁾ But each individual act of labour can only be related to each other in the way described given the social nature of all labour *and* the peculiar social relationship which exists between different individual commodity owners. This is the validating condition of the separation of the workers from the means of production i.e. that the worker owns his own labour power as a

commodity and what is a different expression for the same thing, the capitalist owns capital. Thus Marx points out that capital '... expresses a distinct social relationship belonging to a particular form of society.'⁽¹¹⁾ This social relationship is expressed through the exchange (commodity) relationship. Thus Harman's two factors turn out to be but two abstractions from this relationship - a relationship which has many facets (as Kidron points out⁽¹²⁾). It is thus quite absurd for Harman to claim that: '... in principle there is no reason why other mechanisms which relate independent acts of production in an unplanned manner should not play the same role'⁽¹³⁾, *because it is precisely the 'mechanism' which gives us the particular 'laws of motion' in question; any other 'mechanism' indicates a different mode of production.* But of course it is vital to adduce a different but functionally equivalent 'mechanism' in order to prove the capitalist nature of Russia, for even the I.S. don't try to prove that the market relationship exists in Russia. But the plausibility of 'arms competition' as a candidate for such a role⁽¹⁴⁾ derives only from a way of thinking which adduces 'factors' which can be indifferently added or subtracted.

Political degeneration and counter revolution

It is not enough simply to identify this wrong methodological approach, for what is interesting also is the particular aspects which I.S. emphasise. Precisely because the I.S. have no understanding of the commodity relationships what is important for them about capitalism is the loss (or lack) of control by the workers over their own products and activity. Thus, what was decisive about the October Revolution was not the break with the world market, not the possibilities which this provided for shaping the Russian economy according to priorities which could be rationally decided and planned for, but the control which the workers could directly exercise over the means of production. Consequently, with the dispersal and destruction of the Russian working class through war and civil war, it became: '... the old guard and not the self active working class that safeguarded the traditions of the revolution and assured their transformation into socialist policies, the defeat for the old guard was a defeat for the revolution itself.'⁽¹⁵⁾

What is interesting about this confusion of the political degeneration of the Soviet workers' state with a counter revolution is the running together of two different sorts of relationships: *production* relations and authority relations. This confusion operates on the quite naïve belief that a transitional society, (or socialism for that matter) is subject merely to the whim of the controllers and does not operate according to law. As Preobrazhensky puts it: 'Is the activity of human beings here (in a planned society) subject to necessity, does regularity prevail? Of course. To suppose otherwise would signify repudiating the entire theory of dialectical materialism and substituting for it a conception of the world based on a relapse into the philosophy of free will - if not individual free will, then collective free will ... Law 'asserts itself' under a planned economy in a different way from under unorganised commodity economy. But there *is* regularity, conformity to law.'⁽¹⁶⁾ Production relations are not intersubjective relations, but social relations produced outside of the will of individuals. Thus Marx, talking about capitalism, points out that: '... the production and valorisation process

seems to result in the reproduction and fresh production of the relationship between capital and labour itself, the relationship between capitalist and worker. This social relationship, or production relationship, appears in fact to be *a still more important* result of the process than its material results. The worker, in fact, produces himself within the process, as labour power and as the capital that opposes him, just as, on the other side, the capitalist produces himself as capital, as well as the living labour power that opposes him. (17)(my emphasis - B.G.) Obviously, then, this relationship is not one that can be destroyed bit by bit, it can't be encroached upon nor transformed without the transformation of the whole of society. However, the authority relationship in a factory can be encroached upon; decisions as to the relative share of consumption and investment can be modified without smashing the system as such. It is for this reason that it is important to distinguish the fight for workers' *control* from workers' *self-management*. (18) The difference between the two being the difference between production under the law of values and production after the destroying of the law of value by the destruction of the social relations of commodity production. Of course, the two sorts of relation are not unconnected, the modification of one being (usually) the pre-requisite for the transformation of the other. However, it is a big mistake to confuse the two.

Strategy for socialist revolution

This failure to adequately analyse the complex of social *production* relationships, in particular the nature of the commodity relation, leads I.S. to identify the central relationship in society as being that between the bosses and workers as exhibited in the authority relations of the factory. As we have seen, this derives directly from their 'state capitalism', and it is to their credit that they are consistent, but this implies that so long as I.S. remains true to this position, their revolutionary practice in Britain (not to say elsewhere) will remain fundamentally incorrect. In particular, they will continue in their syndicalist deviation. What is meant by this can be seen from Cliff's contribution to the volume. The whole focus of his essay entitled 'Class struggle in Britain' is on the factory situation. The now familiar analysis of the changing locus of reformism from overt political struggle to the factory floor is reiterated, (19) and the existence and vital necessity of revolutionaries to link up with the shop stewards' movement is pointed out. But what is interesting in the present context is in his identification of the weaknesses of this movement (and consequently what sort of link-up he recommends). Essentially these weaknesses amount to the fragmentation and apathy, the latter being defined as: '... the idea that individual and sectional problems can be solved by individual and sectional efforts.' (20) Fortunately, according to Cliff, these weaknesses are becoming easier to solve, partly through the introduction of Measured Day Work which is cutting down the fragmentation and also by the importation of politics on to the factory floor by the state. But what sort of political response by the working class is demanded is nowhere even hinted at, except for the incantation that: '... workers need a total, a general, class strategy to confront the employers' offensive, to move from defence to attack.' (21) This organisation is needed so that workers who are alienated from their traditional organisations, but still under reformist ideology can come to revolutionary ideas. But: 'Ref-

ormism can never be defeated by programmes. It can only be defeated by deeds. The education of the masses can never be separated from independent political revolutionary struggle. Only action discloses to the workers the magnitude of the struggle, widens their horizons and clarifies their minds. (22)

Of course, everyone is in favour of the independent self activity of the masses, but whether a particular action widens horizons and clarifies minds is not unconnected with whether immediate goals are agreed and understood, whether the enemy is correctly identified at any particular time, what the limits of a particular struggle are which in turn depends on the understanding of the specific conjuncture and so on. All things in fact which are normally associated with the revolutionary party and leadership. If this is not necessary, what is the role of a revolutionary party?

The Party

'The relevance of the party', Hallas informs us, (23) 'is, firstly, that it can give the real vanguard, the more advanced and conscious minority of workers and not the sects or self proclaimed leaders, the confidence and cohesion necessary to carry the mass with them.' It is in the attribution of this lowly role to the party, where the non-marxist methodology comes home to roost-deriving directly from the confusion about social relations. For it is very clear that the fight for workers' control, i.e. over questions relating to the conditions of sale of the commodity of labour power, is, in some sense, a spontaneous movement of the class. So, obviously, the question of the necessity of revolutionary politics being introduced into the struggle becomes superfluous: 'That hoary red-herring, the question of whether socialist consciousness arises 'spontaneously' amongst workers, or is imposed by intellectuals from the outside, has absolutely no relevance to modern conditions ... It is rather ridiculous to argue whether one should bring ideas from 'outside' to workers who own television sets. (24) Given this, then, the whole question of a Leninist party is undermined and: 'Lenin's position of 1903 is not so much right or wrong as irrelevant. (25) This sort of 'thinking' doesn't, of course, need any sort of comment. However it does exhibit, albeit in a crude form, bourgeois distortions of the Leninist notion which unfortunately are very prevalent being summed up, for instance, in the following argument by Hallas: '... given the unevenness of consciousness and the industrial and geographical divisions of the working class, a Party, indeed a centralised party, is essential to give to various actions of different groups that cohesion and coordination without which their effect will be limited to local and sectional gains. (26) This is in fact an *administrative* conception of the party; leadership is viewed as the coordination of struggle, which is the other side of the coin to that view of leadership which sees this role as that of ordering people about. Now, of course, struggles do indeed demand coordination, but this is a secondary question. The basis of the Leninist view of the party and therefore democratic centralism, is the understanding of the need to *politically* centralise the struggles and experiences of the class. But it is the case that this is impossible without scientific understanding of society, which in its turn is impossible without but is not directly produced by the political centralisation of the experiences of the class. There is, that

is to say this *dialectical* link between theory and practice. The Leninist Party is then the vehicle for precisely that unity which Marx talked about. Consequently this position flows from (and is therefore essential to) the very basic tenets of marxism. In as much as all experiences, all understandings are partial - all abstractions from a concrete whole - the *only* way to come to an adequate understanding of what is going on 'in reality' (or 'in the class struggle') is the centralisation of these one sided experiences, both in 'geographical' and in an 'historical' sense. Because, although all theorising appears to be the *result* of certain observations of reality, (or the 'facts'), in fact, theory is the starting point of these observations and therefore of all understandings. Marx put it in the following way: 'The concrete is concrete because it is a combination of many determinations i.e., a unity of diverse elements. In our thought, it therefore appears as a process of synthesis, as a result, and not as a starting point although it is the real starting point and therefore also the starting point of observation and conception.'⁽²⁷⁾ It is this which is the essential point and leads to the other secondary aspects, like the need for an aware, disciplined cadre, the need for the formulation of transitional demands and programmes, and so on; as well as the more obvious organisational questions.⁽²⁸⁾

The whole question of internationalism flows from precisely analogous reasons, and it is a banalisation of the concept and, to put it kindly, a misunderstanding of the tremendous emphasis which Marx, Lenin and Trotsky put on this question, for Hallas to characterise it as the mere: '... recognition of the long run common interests of workers everywhere and of the priority of this interest over all sectional and national considerations.'⁽²⁹⁾ Little wonder that I.S. fails to understand the character and consequences of imperialism.

Imperialism

Marx once said somewhere that those ignorant of history are destined to repeat its mistakes and in as much as I.S. revise Lenin's ideas on the question of imperialism, they resurrect much of what Kautsky had to say and which Lenin criticised in the very same works that I.S. set out to bring up to date. Seldom are I.S.'s ideas at their crudest and the political consequences the most disastrous as on this question. They are reduced to denying the very existence of imperialism as understood by Marxists⁽³⁰⁾ and to raise to the level of a 'world historic class', the petty bourgeoisie⁽³¹⁾ whom Marx condemned to obscurity.

For Lenin, imperialism is simply '... the monopoly stage of capitalism'⁽³²⁾ which is also its highest stage. Now this view of Lenin's was counterposed to other interpretations, and, in particular, the Kautskyist - and this on two counts. First, precisely because it is the highest stage of capitalism, it is impossible for imperialism to be destroyed without the simultaneous destruction of capitalism itself. To this view Kautsky opposed the notion that imperialism was simply a *policy* of monopoly capitalism. Lenin was opposed to this precisely because it separated the politics of the case from the econ-

omics - at the same time indicating its reformist consequences.⁽³³⁾ Now, I.S. having a view of capitalism which is non-dialectical (in the sense explained above), have a view of imperialism, not as its highest stage or state, but as a 'leak' for surplus capital. Thus, Kidron has it that: 'For thirty years preceeding the first world war, investment in colonial and semi-colonial territories constituted the most important leak from the system.'⁽³⁴⁾ But to characterise this drive for the export of capital as the key 'factor' is to invite precisely that separation of the political from the economic for which Lenin castigated Kautsky, as soon as the export of capital becomes secondary to the needs of monopoly capital. And Kidron does indeed make the separation: 'As a political system, as an ideology and as a system of attitudes capitalism continued to exist long after its base had narrowed.'⁽³⁵⁾ It was, however, Hobson (and, following him, Rosa Luxembourg)⁽³⁶⁾ who took the view which I.S. ascribe to Lenin. As Lenin understood the question, however, the drive for the export of capital was but an expression of the attempt of monopoly capital to dominate *all* markets - both nationally and internationally.⁽³⁷⁾ And it is on this point that Lenin had his second major disagreement with Kautsky. The latter wished to limit the scope of imperialism to the dominations of the backward agrarian countries by the advanced industrial countries. In opposition to this Lenin replied: 'The characteristic of imperialism is that it tries to annex not only agrarian territories but even the most highly industrialised regions.'⁽³⁸⁾ For these reasons then, Harris is dead wrong when he takes Lenin to be saying that: '... the two limitations on the system which simultaneously drove it outwards internationally and threatened it with disaster, were the search for raw materials and 'outlets' for surplus capital.'⁽³⁹⁾ This should not, however, be taken as endorsing the view that isolating and safeguarding sources of raw materials is no longer of any importance; that the advanced capitalist countries are now somehow self sufficient - as Harris would have it.⁽⁴⁰⁾ Nor can it be allowed to pass unchallenged that the export of capital is insignificant to the operation of imperialism.⁽⁴¹⁾ The belief that it is stemming from the non-recognition of the international nature of imperialism (and of its uneven and combined development such that it is now the U.S.A. which is dominant)⁽⁴²⁾ and the acceptance of the view already criticised that imperialism only refers to the relations between advanced and backward countries.⁽⁴³⁾

Permanent Revolution

Lenin's thesis of imperialism, then, was the recognition of the internationalisation of capitalism which made "the actuality of revolution" a basis from which revolutionaries in *every* country, or better, on a world scale, must proceed. It was Trotsky's great merit to spell out the concomitant of this in his theory of permanent revolution—a position not adopted by Lenin until his *April Theses* of 1917. What was grasped here was, first of all, that there must either be continuing dependence of the undeveloped countries on the imperialist countries, or the inevitable *socialist* nature of any break out of this dependence through a process of permanent revolution. But, secondly, this "process of permanent revolution" also referred to the international effects of a revolution in any particular country. Not, of course, the guarantee of international revolution everywhere, but the insistence on the essential links with all other countries. That is, not only the

uneven development of the revolutionary process, but also its combined development. In a nutshell, then, to bring us back to the essential theme of this review, a revolution in a single country is only an *aspect* of a process. In this case, of course, a national perspective is not only theoretically disastrous, but also politically so. But this is the perspective of International Socialism.

What we are treated to, then, is an analysis of developments in various countries which treats of them as isolated and independent entities. In this way it is easy to say that the series of "factors" that produced revolution in country A (Russia) was not the same as the group of factors in country B (China), but that country B had certain similarities with the "independence" struggle in country C (India). In this way the rather well-documented argumentation which Harris produces to prove the qualitative similarities of the Chinese and Indian "independence" struggles⁽⁴⁴⁾ stems from the trivial tautology that China isn't Russia. (Or, to be fairer, that the political conjuncture which produced the Russian revolution was different from the conjuncture which produced the Chinese "struggle for independence".) In effect, he gives up all attempts to understand the dynamic of these particular struggles and in his concern to compare superficial similarities, he makes several gross political errors. Briefly, he confuses what people *say* with what they *do*,⁽⁴⁵⁾ and he makes a political characterisation equivalent to an identification of class origin.⁽⁴⁶⁾ But most important of all he *de facto* rejects the thesis of permanent revolution most especially in his insistence that it is the petit bourgeoisie which is capable of accomplishing what the bourgeoisie and workers both fail to achieve in the undeveloped countries: the (essentially bourgeois) tasks of national independence (which includes the shaping of the economy of these countries in the interests of the indigenous class—in Harris's case petit-bourgeoisie) and the solution of the land question. It is thus quite monstrous of Harris to claim that it is he who is faithful to Trotsky and that: "Trotsky in his thesis of permanent revolution outlined many of the points made here."⁽⁴⁷⁾

In sum, I.S.'s (deformed) national perspective prevents them from coming to an understanding of the interdependence of the various sectors of world revolution. They are unable to offer therefore any perspective to the anti-imperialist struggles anywhere in the world, as they are unable to allow the possibility of a transitional society (even deformed or degenerated) in the absence, even in the short term, of international revolution⁽⁴⁸⁾. Moreover they are unable to understand much of what is going on in Britain precisely because we are profoundly affected by the anti-imperialist (and, need I say it, anti-capitalist) struggles exhibited in the Cuban and Vietnamese revolutions. A process which brought to them a large proportion of their members and which struggle of the latter is still today affecting the class struggle in Britain—something which I.S. cannot understand.

Brian Grogan

NOTES

1 P. Sedgwick, A Prologue: A Day in the Life of the 'Fifties.

- 2 C. Harman, *The Eastern Bloc*.
- 3 See, for instance, G. Plekhanov, *THE MATERIALIST CONCEPTION OF HISTORY*, and, for Marx, his "Introduction to the Critique of Political Economy", which forms the "General Introduction" to D. McLellan, *MARX'S GRUNDRISSE*, (Macmillan 1971).
- 4 McLellan, *ibid*, p.35
- 5 McLellan, *ibid*, pp.37 and *passim*.
- 6 I do not wish to go into here the specific nature of this abstraction and relation, but simply to emphasise the differences with empiricism.
- 7 Marx, *CAPITAL VOL. 1*, Afterword; also, E. Preobrazhenski, *THE NEW ECONOMICS*, Ch. 1. This book is in fact essential reading for anyone who seriously wishes to come to grips with the problems posed by the State Cap. theories.
- 8 Kidron, *Capitalism—the Latest Stage*.
- 9 Mandel, *INCONSISTENCIES OF STATE CAPITALISM*, IMG Publications, 1970; Mandel, *MYSTIFICATIONS OF STATE CAPITALISM*, International No. 2, reprinted IMG Publications 1971.
- 10 Harman, *op cit*, pp.182-3.
- 11 McLellan, *op cit*, p. 77.
- 12 Kidron, *op cit*, 206-7.
- 13 Harman, *ibid*, pp. 183-4.
- 14 Harman, *ibid*, p.185: "Since 1929 the Russian economy has been subordinated to needs arising out of its interaction with the capitalist West. This has not in the main taken the form of direct market competition. But there has been a mediating mechanism between the Russian economy and the economy and the economies of the capitalist West that has played a similar role to that of direct market competition: competition through arms production."
- 15 Harman, *ibid*, 172.
- 16 E. Preobrazhenski, *op cit*, p.50. It is significant in this context that Harris identifies the essence of socialism as "the struggle for freedom".
- 17 McLellan, *op cit*, p.105.
- 18 R. Davies, *Theories of Workers Control*, *INTERNATIONAL*, Vol. 1, no. 2, reprinted IMG Pub.s, 1971.
- 19 Cliff argues the incorrect proposition that the essence of Lenin's break with maximum/minimum demand dichotomy consisted in Lenin's insistence that: "... reforms are the by-product of revolutionary struggles" (*op cit*, p.225). Lenin may of course have said this but it is essentially **IRRELEVANT** to his major point about the necessity for transitional demands to break through the dichotomy.
- 20 Cliff, *ibid*, p.244.
- 21 *Ibid*, p.240
- 22 *Ibid*, p.247
- 23 Hallas, *The Way Forward*, p.262.
- 24 Hallas, *ibid*, 263.
- 25 *Ibid*, p.257-8.
- 26 *Ibid*, p.266.
- 27 McLellan, *op cit*, p.34.
- 28 In a companion volume to the book under review, recently published by Pluto Press (I.S.), *PARTY AND CLASS*, there is therein reprinted an article by Harman on "Party and Class" which is incomparably better than Hallas's article in the present book (also reprinted in this volume), but, even so, the methodology at work is essentially similar when the party is placed on one side and the class on the other. Links are then searched for, which Harman identifies in the following way: "The real basis for his [Lenin's] argument is that the level of consciousness in the working class is never uniform" (p.56). But this uneven level of consciousness is only one aspect of the problem, not **THE** *raison d'être*.
- 29 Hallas, *op cit*, p.261.
- 30 Kidron, *ibid*, p.209-210.
- 31 Harris, *ibid*, p.154f et seq.
- 32 Lenin, *SELECTED WORKS*, One Volume, 1970, p.232.
- 33 *Ibid*, p.236.
- 34 Kidron, *op cit*, p.209.
- 35 *Ibid*, p.210 n.

- 36 D. Horowitz, IMPERIALISM AND REVOLUTION, Allen Lane, 1970, p.49.
- 37 Hamza Alawi, "Imperialism, old and new", SOCIALIST REGISTER, 1964, p.116.
- 38 Lenin, op cit, p.235.
- 39 Harris, op cit, p.121.
- 40 Ibid, p.134-6; Magdoff, THE AGE OF IMPERIALISM, MR Press, 1969 shows this view to be quite untenable.
- 41 British foreign investment was still 24.5% in 1960 whilst for the U.S. this accounted for 59.1% (Magdoff, ibid, p.56). In the case of the U.S. there was a dramatic increase over the 20 years up to 1966 increasing from \$7.2 billions to \$54.6 billions (J. D. Philips, CORPORATIONS AND THE COLD WAR, MR, 1969, p.188).
- 42 It is this development of imperialism and the consequent transference of the leadership role to the U.S. which also accounts for the changing FORM of imperialist domination. (On this see G. S. Jones, The Specificity of U.S. Imperialism, NLR60).
- 43 Magdoff, MONTHLY REVIEW, Vol. 22, Nos. 5 & 6.. This again is not to deny the changing nature of the investment in undeveloped countries (Mandel, INTERNATIONAL, Vol. 1, no. 5, "Imperialism and National Bourgeoisie in Latin America"), nor the larger volume which is invested in the metropolitan imperialist countries themselves (Mandel, "The Laws of Uneven Development", NLR59).
- 44 Harris, op cit, p.154-6.
- 45 Ibid, p.154f.
- 46 Ibid, p.155f.
- 47 Ibid, p.156.
- 48 This position again inevitably stems from their understanding of the Russian Revolution. According to Harman there were only two alternatives facing the Soviet economy in the '20s. Either a variant of capitalism, i.e. "... follow the logic of capitalism and accumulate in order to further accumulate or face subjection to international capitalism" (Harman, p.181); or, that which he identifies with Trotsky: "... subordinating internal developments in Russia to spreading the revolution abroad." (Harman, p.181). This latter characterisation ascribes a purely voluntarist role to Trotsky's alternative, which was other, far more subtle and far more complex than Harman allows for. Indeed the characterisation that Harman gives corresponds fairly closely to the Stalinist distortion of Trotsky's thesis of permanent revolution. This is obviously no place to go into a full analysis (but see E. Mandel articles on Trotsky's Marxism in NLR48 and 56). Very briefly, what Trotsky recommended was the industrial development of Russia which would not try to "attain the abstract maximum tempo, but the optimum tempo ... which, above all, systematically improves the living standards of the proletariat and strengthens the alliance with the non-exploiting masses of the countryside" (PERMANENT REVOLUTION, Merit, p.156). This would remain in force for a whole period whilst the proletariat, whose hand was being strengthened through the guidance of the Communist International (which does not mean recommending revolution everywhere at any time, but relies on an appraisal of all the conditions). This sort of policy would have gone a long way to preventing the degeneration of the Russian Revolution and given the Revolutions in the advanced capitalist countries, when they came, much greater chance of success. This was the policy of Russia in the '20s and would be a model of any policy for any successful revolution in the undeveloped world today.

RED BOOKS

182 Pentonville Road,
London N.1. 01-837 9987

Books by Trotsky:

Writings 1935-36	£1.25	History of the Russian Revolution	
Writings 1937-38		-3 vols, in slipcase	£1.50
Writings 1938-39		Literature & Revolution	£1.05
Writings 1939-40		Terrorism & Communism	£1.15
The New Course	90p	Permanent Revolution	£1.05
Trotsky Anthology	27½p	Revolution Betrayed	£1.25

Rosa Luxembourgh on the Russian Revolution: 80p

The New Left Reader (Castro, Malcolm X, Fanon, Marcuse & others)
—special offer: 50p

Full stock of Marx, Engels, Lenin, Trotsky

All the literature of the Left

Add 15% for postage on all orders under £5.

Open 10 a.m. - 6 p.m.
Tuesday-Saturday

IRELAND

New Dialogue in Republicanism

The following discussion took place before the introduction of internment in the North of Ireland. At the date of writing (19th August 1971) the outcome of the struggle round internment is unclear. What is not unclear is the attitude which revolutionaries must take to the events in the North. They must unconditionally support the struggle of the IRA against British imperialism and its puppets.

The recent events in the North bring even more sharply into focus the way in which the struggle against Britain can only be carried on simultaneously with a struggle against the Southern bourgeoisie. Lynch has already spoken of the possibilities of internment in the South and of course the 1938 and 1956 Republican military campaigns were both stabbed in the back by precisely such moves. As the only revolutionary organisation with a real base inside both the North and the South, the positions of the Republican movement will be a determining element in the situation. It is for this reason that the following interview with Belfast Republicans is of particular interest.

**END INTERNMENT!
WITHDRAW ALL BRITISH TROOPS IMMEDIATELY!
VICTORY TO THE I.R.A.!**

Bob Purdie:- I would like first of all to discuss the new policy on abstentionism that the Republican Movement has adopted. What do you think about it? Do you see it making much change in the way you work here in the North?

Malachy McGurran:- Personally, as I spoke against the new policy at the Ard Fheis, I feel there could be great dangers for the movement. From a purely tactical point of view, I think the organisation itself must have, as I said, a clearly defined policy, know exactly what it wants and how it's going to achieve it, and then look at the organisation it has and say 'is that organisation structured properly to achieve that objective and to carry out the policies and tactics of the organisation?' Despite my reservations, I think that there is a good opportunity of getting a more realistic look at any analysis of the political situation in the whole of Ireland because of the change in our attitude.

Malachy McBurney:- I think it should be also said that it may even be tactical for us at some point in the future to contest an election on an abstentionist ticket. This is still possible even though we have adopted a policy of entry into parliament.

Liam McMillen:- Regarding the abstentionist policy, the only advantage

that I see in it is the fact that it opens up the options for us now to either attend or not attend as the case may warrant it. In the past where we had been engaged in activities through Republican Clubs, trying to achieve social justice or to right certain wrongs that had been perpetrated by government bodies, local government bodies, etc. against the people, we were able to take agitation on the streets to a certain degree. But once it became necessary for someone to enter the corridors of power in City Hall, we found the doors closed in our faces, and we had to resort to the local politicians. We had to have these people to introduce our delegations to the City Hall, to have grievances redressed, and the inevitable outcome of this was that any credit for any redress of social injustices that did come about rebounded to the credit of these politicians. And to this extent, we can see that it would be to our advantage to have sincere and dedicated men, elected to local government bodies, who would be able to carry on the fight, not only in the street, but within the corridors of power as well. And in this way we would hope to build up a credible organisation, an organisation that people would see as worth supporting.

Malachy McGurran:- While accepting the basic ideas regarding an attendance policy, I think that eventually what you're trying to create is an alternative structure that the people can see is their structure and be part of. Possibly the use of what is known as 'attendance' could help you to expose the present state power, state bureaucracy, and how it works against the interests of the ordinary working class people, and you could do it from inside with the help of the people outside. I think possibly the best example is the political situation we find ourselves in here in the six counties, where for example the politicians like Hume and Currie and people like that were elected on the strength of the broad support of the civil rights movement, but when they got into power they looked on the civil rights movement, and to some extent the civil rights association, as their servants to, at their behest, take action or not take action, go on the streets or not go on the streets. We want to create a situation with Republicans who may be attending these things, that they are there as the servants of the people and the Republican Movement, to carry out the wishes of the people. And that way it can be exposed. But it must be exposed and destroyed at those two levels.

Des O'Hagan:- It seems to me also that the whole policy of abstentionism was in the more recent past, I would say possibly from the Forties period through until the sixties, in some senses psychologically damaging to the movement. While we were conscious at all times that we were aiming at a Republic of the type outlined by Connolly and Pearse, by engaging in abstentionism one's thinking was directed solely towards the idea of a totally military reconquest of Ireland, and by concentrating upon this certain features of the imperialist nature of control in Ireland both north and south were more or less pushed to the back of our minds. Now by confronting this issue again, it seems to me as if we had become more sensitive to the character of the Republic as envisaged by Connolly and Pearse.

Malachy McBurney:- Abstentionism was a tactic which was practised by republicans immediately after the two statelets were set up in Ireland. But by 1925 the two statelets had become a fact, and from then on abstentionism

was no longer relevant. The main idea behind going into these parliaments, north and south, local governments and so forth is that republicans today still realise that abstentionism is correct in relation to these two parliaments. In actual fact, what they're going to do, put in the revolutionary context, is to go in and expose these governments, north and south, for what they are, and to show the people clearly that no redress can be had from these institutions, and in the final analysis that they must come out and abstain from them. It is a question largely of proving to the people that abstentionism is right. Because if the people don't believe in it then it is insufficient for a small group of people within the Republican Movement to believe in it. We must convince the people for the need for abstentionism at the right time.

Liam McMillen:- The point that you are trying to make Malachy is that there is nothing to be gained through attendance at any of these partitionist assemblies, and although we as Republicans know that it is a waste of time going in there and trying to get social justice out of these establishments, the ordinary man in the street believes that there is something to be gained out of having representatives there, and it is up to us principled men who won't be corrupted while we are in there who have the welfare of the working class at heart, to go in there and let the people see that we're not to be corrupted, and at the same time we can prove to the people that we are only wasting our time in there, that there is absolutely nothing to be got by attending, therefore, with the street agitation that will be going on, the extra-parliamentary agitation that will be going on. In the meantime, if we succeed in proving to the people that there is nothing to be had through attendance, then they will see not only the wisdom of abstentionism, but of pushing our demands through extra-parliamentary procedures.

Kevin McCorrey:- I think a number of points should be clarified about the question of abstention and what we mean from the resolutions that were passed at the Ard-Fheis. In the first place, the Ard-Fheis did not give a blanket permission to the Ard-Comhairle or the leadership of the movement to immediately put forward candidates should a general election to Westminster or within the 26 counties come tomorrow or even within a year. The whole thinking of the movement, up to the change of policy, must be clearly understood and emphasised if the whole exercise of the Ard-Fheis isn't to be written off as a move towards reformism on the part of the Republican Movement. In the first place, allied with the question of abstentionism, there was a reaffirmation at the Ard-Fheis of our policy of the creation of a National Liberation Front, although at the Ard-Fheis it was decided to change the name to National Liberation Movement. In other words, at local level, it was reaffirmed that the movement press ahead with moves to build up and develop an organisation of principled groups coming together to develop a movement which would, first of all at local level, but ultimately at national level, lead the struggle for national independence and open up the road to a socialist 32 county republic of Ireland. Now given this commitment, it was decided that any hinderances or obstacles that could possibly be in the way of the development of such a movement, such as certain characteristics of policy which perhaps were legitimate years ago, but were not so legitimate now, must be done away with. In other words, we must leave the

way clearly open for the development of a national liberation movement. Now, we don't say that participation either in Stormont or in the 26 county Dail will gain anything really at the level of the struggle for national independence. Our experience has shown that nothing can be gained in qualitative terms from these assemblies. But we do say that definite improvements can be won within the present system through, for example, a well coordinated political agitation which combines parliamentary agitation as well. Limited gains can be won. This is part of our development, part of our struggle to develop the National Liberation Movement. In other words, if we can show that at the level of winning limited gains the revolutionary leadership within the National Liberation Movement can win such gains as effectively as the reformist politicians can. We can also use our position to get across to the majority of the people that we are able to lead the struggle for national independence, and use this as a spring board for the development of such a movement.

Bob Purdie:- Another aspect of the question of abstentionism which is worth considering is the history of the British Labour Movement, the discussions between Lenin and leaders of the early British Communist Party, like Willie Gallagher, and the experience of the I.L.P. group of Clydeside M.P.s. Has the Republican Movement discussed this, and what relevance do you think it has for you?

Kevin McCorrey:- I think first of all, and this is one of the points which Malachy (McGurran) made at the Ard-Fheis about what our priorities should be at the present time. He said quite legitimately that our primary task at the present time is political clarification inside the movement, and clarification, through our work with other organisations and so on, about what the tasks ahead are, about what the immediate gains that can be fought for are, and what the long term struggle is all about. I think this is very relevant in the light of the experience of British comrades inside the Labour movement, and particularly inside the Labour Party. And I think while Malachy's objections were very, very legitimate, the resolution which was passed at the Ard-Fheis was a resolution which took into account the experience in the British Social Democratic movement, and the limitations of that Social Democratic approach to change in society. One of the things about the I.L.P. and the Social Democratic left was their complete ideological weakness when they were faced with the store house of reformist in the Fabian Society. In other words, someone has said that all that the mass left in Britain had was a mixture of Christian socialism and humanitarianism, and in the struggle inside the Labour movement for the correct political approach, the I.L.P. elements were absolutely swamped by the heavy brigade from the Fabian Society, the middle class reformists, and so on. Now, this was borne out in the organisational limitations of the Labour Party; when it came to participation in parliament it was the Fabian society types, the reformists, who controlled the parliamentary party, and the party was structured in such a way that parliamentary party controlled the entire party, and was never bound by decisions at annual conferences. To get back to the resolution at Ard-Fheis, I think the safeguards take this into account. By no stretch of the imagination will the parliamentarians, the people who are carrying out the struggle in Stormont, Westminster, or the 26 county Dail, ever be in a position of lead-

ership. They will be controlled by the outside movement. (This is given a degree of development which is not existent at the present time).

And most important, abstention and non-abstention, these things are irrelevant if the actual struggle in the country hasn't reached a particular point. The essence of the Republican attitude towards society is that we start with the problems of the people, reflected in housing, jobs and so on, and we develop initiative among the people through mass organisations, so that from this the basis of the NLM develops. Now, it will be the mass organisations which will be in control of the parliamentarians, it will not be the other way around; and if we can evolve a correct strategy towards this, then parliamentary participation becomes a valuable part of the struggle. But if by some organisational limitation this doesn't happen, we sink into reformism. But this is essentially what the struggle is about.

Des O'Hagan:- I think also there is an important difference between the tradition of struggle in Ireland and that of the I.L.P. and left-wing organisations in Britain. The point is that the Republican movement has a revolutionary tradition, the left-wing groups in Britain had no revolutionary tradition. They operated from within the parliamentary situation, so it was no surprise, for example, that at the time that the first genuine Labour government arrived, Attlee, instead of going to the chairman of the Labour Party went directly to the king. This emphasises the total parliamentary character of the Labour movement in Britain. We are not faced with that situation because we've always been a movement with revolutionary ideas and revolutionary principles, and I can't see any possibility of parliamentarians getting control of the movement at any time.

Malachy McGurran:- This is, I think, complementary to what Des is after saying. The objectives of the British left seemed to be to get into parliament and control the whole situation from parliament. Now we have debated this aspect of the parliamentary activity of the Republican Movement, and as Des has pointed out ours is a long history of, to use the term, 'unlawful' activity. We are not prepared to be bound or accept any law which affects either us as Republicans or affects the ordinary working class people. And we've shown this by force of arms as recently as the fight that was put up in the Falls Road on July 3rd last year against the lawful Crown forces. Our objective is the creation of the strongest weapon possible to destroy British Imperialism and foreign and native capitalism in this country, and to create socialism in Ireland. Parliamentary participation can be part of that weapon, an integral part, but not the main body of the weapon; because once it becomes that, then the movement or the organisation participating becomes reformist, and from there to part of the establishment. Once this is clearly understood with the membership of the Republican Movement, then I see little chance of the movement going wrong. More important, this takes class analysis, it takes a political analysis, it takes an analysis of the lessons of history, of our own struggles here, and the struggles of the left in Britain; the left in any other country, the Algerian situation, the Cuban struggle and the Chinese situation. We must be able to learn from them and see if there are parallels in these situations that would apply to the situation in Ireland now or in another three years. That way there is less chance of us making

the mistakes that some of the other, what is termed 'left' organisations have. I think the basic thing is that their objective was to attempt to gain control through the parliamentary system, and they were sidetracked from their original objective of creating the revolution within the people. They attempted to create the revolution within parliament, and they failed because the establishment would not permit that.

Bob Purdie:- Can we talk now about the current stage of the Civil Rights Movement. What role do you think it has to play now? Do you see any significance for it in the proposed anti-trade union legislation in Britain, which may be taken up also by the Unionists here? Also do you think there has been any progress in getting through to Protestant workers?

Malachy McGurran:- Well, I think I said to you before Bob in another interview that there is always the danger that you would concentrate all your efforts and activity in getting through to the Protestant working class, and find that the Catholic working class had been led astray behind your back, and they would knife you in the back. But on the civil rights question (which other left groups claim creates sectarianism) for 50 years gerrymandering, discrimination, jobbery, patronage in relation to houses and jobs, was used to divide people, was used to create in the minds of one group of people that they were in a privileged position, and in the minds of others that they were in a second class damn-near sub-human position, and this created a very deep, bitter barrier. And at least a start, and a very big start I think would be made if you destroyed the legislation that was implemented to create this kind of thing. Destroy the Unionist structure at local government level, which continues to create this kind of sectarian barrier. We can't ignore the barriers as other left groups have done, we must accept that they're there. Then we try and find out how they were created, why they were created, and then see how they can be destroyed. Other left groups, to my mind, use futile sloganising, 'we must get through to the protestant working class, and we must create this and we must do that', but, some of them, (most of them in fact), unfortunately, are not in the physical position to actually take any concrete steps to get things done. I believe that if you destroy the barriers or force the establishment to remove the legislation, to remove the structure at local government level, which helps create the sectarian barriers in the minds of people. If people then see themselves in social and class terms, regardless of whether they're protestant or catholic, or atheist, then you have a greater opportunity of creating from within them broad support for revolutionary objectives and for a revolutionary movement. Admittedly, the civil rights programme is one of reform, they simply want to see everyone treated fairly. But I would say that if it succeeded in creating some kind of basic normal society, in which we can get across our message to a larger section of the people whether they are catholic or protestant, we could create in their minds the idea that there is an alternative to the kind of structures that they have been supporting, whether green Toryism from the nationalist point of view or fascist unionism and imperialism from the unionist point of view. But I think we've got to accept that the barriers are there, examine the barriers and then take physical steps to remove them. Tomas MacGiolla in speaking at the Sinn Fein Ard-Fheis said that the barriers must be crossed by force. I think what he was in fact saying was that the barriers would

have to be crossed physically, and it might mean, as someone has said, that if you stretch out one hand they might cut your hand off, and if you keep it out they'll cut your arm off; well in that case you'll have to put out your other arm and your other hand in the hope that they might grasp your hand or the stump that's left after they've bitten it off.

Liam McMillen:- Well, regarding the progress in getting across to the protestant working class. It's a curious and a beneficial fact that due to the split within the republican movement, people including protestant working class people, have at last started to ask themselves what has caused this split? Why has the Republican Movement broken open? This has given rise to a closer examination of the policies of the official Republican Movement: the social programme, the economic programme, etc. And to a greater extent we have managed to shed the catholic, nationalist image that we have carried for so long. This image has been taken up by the Provisionals who now continue in the traditional methods and manners of the Republican Movement in the past. A good beginning has been made with the establishment of the West Belfast Democratic Alliance, the purpose of this being to unite all people of different political hues, different religions, no religions, providing that they all accept an agreed set of demands. And to this end we issued invitations to various protestant organisations, tenants associations, etc., and we're meeting with a fairly favourable response. Unfortunately, during the troubles of the 27th June last, three protestant men were shot dead in the Ballymacasrett area (that's the shipyard area), and three other protestant workers shot dead in the Ardoyne area. This set back all the good work that had been done, the ground work, the ordinary routine trying to build up an organisation, that type of work. This was all set back with the death of these people, and it's going to require a hell of a lot of hard work on our part to regain the ground that was lost through the killings.

Malachy McGurran:- I would just like to make one point in connection with what Liam was saying. For example, the James Connolly Republican Club in Derry City, which has been very active in housing questions, were approached by a number of protestant people some time ago to help them squat in a particular area, because they had been on the housing list for four or five years and hadn't got a house. The Club was very agreeable to meet the people and discuss this, but at the very first meeting the first question that was asked by the protestant people was 'well, that's OK, because we're not prepared to work with these other people'. I think they had clearly seen the differences, and the main point made by Liam is that they are beginning to ask the question 'why the split?' and doing maybe a closer analysis, unconsciously even as to why the split has taken place. Even in the context of membership of the Republican Movement there has been particularly over the last twelve months a steady increase of new members from among young protestant people, which, if you like, is amazing because the August riots and the August pogroms here in Belfast in 1969 led to a tremendous amount of sectarian bitterness. Not as much naturally as we would wish, but it has also been taking place in other areas, in Larne, in Lurgan, in Armagh and Newry. A little less in the rural areas than we would hope. This is a good indication that a lot of people, particularly young people beginning to exa-

mine what is going on here and what has been going on here for the last fifty years, are beginning to see the light and beginning to see their way forward, come to the movement, and see the movement as representing their feelings and their aspirations for the creation of a better society for the ordinary people in this country. The average protestant some time ago who would have come to these conclusions and who would have looked round to see what he could give his allegiance to, as a rule would have joined the Northern Ireland Communist Party, because of the sectarian image that the Republican Movement had, and I think this is a good indication that that sectarian image is fast receding from our movement. Though unfortunately sometimes those that classify themselves as Provisional Republicans can be bigotted catholics in defence of holy mother Ireland, or Holy Mother Catholic Ireland, and still help to continue the image in people's minds, particularly protestant people, that Republicanism is equated with catholicism. We have a hard job, without necessarily attacking these people physically or even verbally, in showing the people that we stand for anything but what the Provisional Republicans stand for. I think there is a hell of a lot of progress still to be made in this regard, but a lot has been done, there has been a good start made.

Des O'Hagan:- The capitalist press in Ireland fearing unity of the catholic and protestant working class in the north, deliberately over-emphasises the divisions that exist. The Tory press particularly delights in playing up the slightest situation, even at comical levels, where there are protestant and catholic disagreements. I think that the capitalist press have it in mind to divert revolutionary attention from the stepping up of revolutionary propaganda directed at sections of the community which owe allegiance to no religion. I'm thinking here particularly of educational institutions and the trade union movement (at least sections of the trade union movement). They try to make people who have got progressive policies feel that the situation is hopeless, and in some senses they undoubtedly have succeeded in doing this. The existence of the Provisional Movement has been pointed out as I think adequate evidence of the success of the capitalist press in this direction.

Liam McMillen:- Regarding the present role of the Civil Rights Association. We feel that the civil rights movement still has an important role to play, that the implementation of the promised reforms is still a long way off, and it's necessary to have at least a nucleus around which a mass movement can be restructured, if necessary, in order to bring the people back on to the streets, to guarantee the implementation of these reforms. In saying that, I must also say that I feel personally that the civil rights movement has a short life span in front of it. I do feel that somehow or other its direction should be changed if that's at all possible, while still retaining, or attempting to retain, the present structure. It should be changed in the direction of making more and more social and economic demands as opposed to purely civil rights demands. Whether this is possible or not remains to be seen.

However, regarding the other point that you've raised, the anti-working class legislation, this is an issue which I feel could be perfect for uniting the various groups, the various political parties, the individuals who are concerned about the inroads that are being made day and daily into the standard

of living of the working class. I would hope that it would be possible at some time in the future to unite everyone in a mass organisation to resist the continuous erosion of working class standards, and a movement similar to the civil rights movement could possibly emerge from this.

Kevin McCorrey:- I think we should have a word or two of clarification of where we see the civil rights struggle where it fits in with the other levels of struggle at the present time. I think it must be made clear, and we emphasise this in the Freedom Manifesto of the Republican Movement, that the present time in Ireland there are three levels of struggle going on simultaneously. There's the civil rights struggle, both north and south of the border which by and large is a struggle to achieve as much equality of opportunity in jobs, housing and political organisation as is possible inside the imperialist framework. In other words, it is a reformist demand to achieve as much equality of opportunity inside the existing framework. The second level of struggle is the national struggle, the struggle for national independence. And the third level is the struggle for the emancipation of the working class and the creation of a socialist 32 county republic. It is becoming clear to Republicans operating inside the civil rights movement that these three struggles are interlinked, and that the correct leadership in one particular level of struggle facilitates the other levels.

Take two concrete examples. First of all we see the struggle for the Bill of Rights, as of primary importance at the present time. We say we want a constitutional guarantee of equality of opportunity in jobs, housing and political organisation. Now we recognise that this is meaningless if the mass organisations are not there in the country to take advantage of this demand should we win it. First of all, we must have mass action to win this demand, to win the guarantee, and we must have constant mass organisational vigilance to take full advantage of that. And we can see how this is related for example to the national struggle. For example, we at the present time have very few facilities to put forward our particular point of view. Now if we had a Bill of Rights, if we had the mass organisations to ensure that the Bill of Rights was meaningful, this would facilitate the national struggle, and our opportunity to operate in the interests of the national struggle. And also, the social struggle is related to civil rights. For example, the Industrial Relations legislation and the possibility of this being introduced in Northern Ireland. It is obvious that the Industrial Relations Bill, while it hinders the struggle for the emancipation of the working class, is also a civil rights issue. So that, at the present time how do we see the struggle developing in the civil rights movement? Well, first of all last year has been a period when the civil rights movement was quiet, and was not making the impact that it should have been. We see this period ending. We see first of all a greater clarification inside the civil rights movement about its importance not as a counting catholic operation, but about equality of opportunity. We see a development of this struggle and a remobilisation of the masses around the correct demands of the civil rights movement.

Bob Purdie:- A number of people outside the Republican movement in Ireland have stated that the official Republican Movement is engaged in running down the military section, is becoming reformist, and that this is all part

and parcel of a shift away from a revolutionary perspective by the official Republican Movement. I wonder if you could comment on this?

Liam McMillen:- Well, it's just a question of emphasis, of getting your priorities right. The Republican Movement comprises of course the political wing and the military wing, and at the present stage of development equal emphasis is being placed on both political and military development. Naturally enough more publicity is given to the political activities of the movement; this is understandable, we can't go about publicising just what we're doing in the military field. But we can say that training camps are going on continuously, men are being trained, and the leadership is very conscious that no matter what progress may be made in the political field there will come a stage of development where the establishment will say, 'this far and no further.' And that is the time when physical force will have to be resorted to, in order to press home the demands of the people, in order to bring about the emancipation of the people and to bring about the setting up of an independent democratic socialist republic.

These false allegations have been made in the main by organisations which have a certain amount of antipathy to the Republican Movement because (perhaps I'm throwing bouquets at the Movement here) they see the Movement as the one progressive movement, the one movement that is going to bring about the establishment of the democratic socialist republic. This I think causes a certain amount of resentment. It is quite easy to slander a movement when you don't have to back up allegations that you make. The Republican Movement has engaged in physical force campaigns in the past which failed, and failed due to the fact that it never had the support of the Irish people. It did not have their support because we had failed to convince the people that freedom would mean a better standard of life, and although people gave a certain amount of emotional support there was no hard practical support. Since then the movement has shifted the emphasis temporarily from the military wing to concentration on the political involvement in the problems of the people.

We believe that the movement and the people must be developed to a stage where physical force will be guaranteed to succeed, rather than have the glorious defeats that we have had in the past. We maintain that any physical force action must be related directly to the political demands of the people, so that the people can see the necessity for physical force. We do not go along with the idea of going out and blowing up Ulster post offices or transformers, such actions are absolutely pointless and are just physical force for physical force sake. Now if we could take one example that would give the lie to these allegations that we are no longer a physical force movement. I'm referring to the 3rd of July when 3,000 British troops surrounded and entered the lower Falls area, in which there are no physical force organisations existing except the official Republicans. This battle will go down in history as one of the major confrontations between the Republicans and the British forces since the 1919/1920 period. This is an example of physical force for a particular purpose. In this case the British army were coming into an area in order to denude the area of any arms that were in the area, necessary for the protection of the people. The Republicans had absolutely no hesitation in resorting to physical force on this occasion. Just as we will have no hesitation in resorting to physical force in the future either in the defence of the people or in the pursuit of demands that we feel are justified.

The Red Mole



Revolutionary internationalist Marxist fortnightly, edited by Tariq Ali.

News, discussion and analysis on all subjects of importance to the revolutionary left in Britain and internationally.

RED CIRCLES set up by Mole supporters all over the country provide a framework for action around issues of immediate importance. Look for the address of your nearest Red Circle in *The Red Mole*.

7½p per copy. For a subscription to the Mole, fill in and send the form below.

Please send me **THE RED MOLE** for the next 6/12 months. I enclose cheque/P.O./cash for £1/£2.

Name

Address

.....
THE RED MOLE, 182 Pentonville Road,
London N.1. 01-837 6954, 01-278 2616.

Foreign subs: Asia/Africa/Australia/
N & S America: £5 per year (airmail);
£3 per year (ordinary). W. Europe:
£3 per year.

Bolivia :

2 Documents

The Meeting of the Popular Assembly

INTRODUCTION

The two articles which we publish were written by two IMG militants in Bolivia and sent to us several weeks ago. Since then the inevitable has happened. Torres has been ousted by a right-wing military coup d'etat and the new regime has unleashed a terror against the entire Bolivian left. Nonetheless the two articles retain their importance, and the description of the Popular Assembly becomes an important text in its own right. The interview with Comrade Moscoso reveals that the Bolivian section of the Fourth International, at any rate, was fully prepared for this eventuality.

While no definite information from our comrades has been received as we go to press, there are certain indications that a unified military command has been set up by the entire left to continue the struggle. Thus the strategy decided by our Bolivian comrades three years ago is vindicated with a vengeance and armed struggle is placed on the order of the day. In this our comrades with their past experience and the ELN (founded by Che Guevara) will play an important part.

In publishing these two articles we at the same time solidarise with our Bolivian comrades and all the victims of imperialist repression. A Bolivia Defence Committee is in the process of being set up. Interested comrades should write to it c/o 182 Pentonville Road, London N.1.

During ten days in June, the old and long-disused Legislative Palace in the main square of La Paz was occupied by the Popular Assembly, composed of delegates from workers', students' and peasants' organisations and left political parties. They met with the possibility of becoming a Bolivian Soviet or a new bourgeois parliament with which to window dress the Torres military regime.

Only a few feet from the President's Palace, the grandiose building was occupied without hindrance although the previous weeks had been tense with rumours of a pre-emptive coup by right-wing army elements who would replace Torres and kill the Assembly before it began. The coup, though still expected daily, did not occur, despite sporadic fascist bomb outrages and the brief occupation of a radio station the weekend before the Assembly began. In the face of this threat, the COB (Central Obrera Boliviana - Bolivian TUC) and peasants', students' and teachers' organisations decreed a general mobilisation of their members and ordered the formation of armed militias in a state of emergency.

The Assembly started its first session backed by an armed guard of steel-helmeted miners and students and a rigorous search of all who entered which revealed pistols and gas.

What were the origins of this extraordinary event, created by the workers yet 'permitted' by the government, itself incapable of preventing it without unleashing civil war and at the same time hoping to tame it into providing a veneer of legality?

On October 7th, 1970 the right-wing of the army had tried to carry out the expected coup against the Ovando regime, brought to its final crisis by the Teoponte guerilla, just as the Barrientos regime had fallen after the guerilla of Che Guevara. The workers came into the streets, the miners marched on La Paz with guns and dynamite. In a few hours, not only Ovando but four other successive right-wing presidents fell. But the workers did not take power. Instead a *Comando Politico* was formed by the COB, Juan Lechin and a combination of left parties which included the pro-Moscow CP, the POR-Lora (note: see Glossary for abbreviations and explanations), a sector of the pro-Chinese CP and the MNR. This *Comando Politico* handed over power to General Torres, basically the most credible alternative the army could produce in a hurry, faced with a popular rising.

It did so after a series of negotiations with Torres, in these an attempt was made to impose as a condition that the COB and the political parties should have half the Ministries in a new cabinet, a solution for which the pro-Soviet CP and Lora voted in the *Comando Politico*, presumably in the hopes of obtaining Ministries in a Torres government. But this attempt at co-government failed because, although Torres accepted the idea of half shares for the workers, the army didn't; it wanted them to have less. Power was therefore handed to Torres unconditionally, sealing the defeat of the workers' uprising, and the *Comando Politico* turned its attention to the creation of a Popular Assembly.

The idea of a Popular Assembly arises naturally in Bolivia, with a long history of semi-independent organs of workers' power, beginning with the COB's history of co-government after the 1952 revolution. The question is whether the Popular Assembly, unlike its predecessors will succeed in contributing to the organisation of the independent power of the workers until the point when they actually take state power. In some ways its beginnings were inauspicious. The process of drawing up its statutes was dominated by reformist and even rightist parties, at ease in the bureaucratic ramifications of such a task, including the pro-Soviet CP, the POR-Lora, and even the MNR, which was expelled only later when it was found to be conspiring for a right-wing coup. Attempts were made to keep out any intruders in this situation; Lora, for example, proposed that any party applying to join the Popular Assembly should be obliged to publish a list of 5,000 sympathisers (no matter that the POR-Lora doesn't have 5,000 sympathisers; it was already in); but the motion was defeated on the grounds of security. The fact that the Popular Assembly was created by the *Comando Politico*, with its history of negotiating the defeat of the workers' uprising with a section of the bourgeois army, meant that some genuinely revolutionary parties and organisations were initially absent from the process; notably the POR-Gonzales, the

ELN and the Zamora section of the pro-Chinese CP, although the POR has applied for delegates to the Assembly.

This early history determined the composition of the Assembly's first session. The Assembly is composed of delegates: 132 (60%) for proletarian organisations, 53 for 'middle class' organisations, 23 for peasants' organisations and 11 for the political parties. The political parties were represented by two delegates each for the pro-Moscow CP, the POR-Lora, the PRIN, the pro-Chinese CP and the Revolutionary Christian Democrats, and one for the MR Espartaco. Of these, only the last three had a more or less clear revolutionary line, including support for the armed struggle; and the MIR (composed of the Revolutionary Christian Democrats and the MR Espartaco) has not yet evolved a wholly coherent position and has little base outside the universities. But in addition virtually all the delegates have a specific party allegiance and both the POR-Gonzales and the ELN, although not directly represented as parties, had a fair number of members who were elected as delegates of their unions, the COB, etc. The POR was particularly strong among the peasants' and the flour workers' unions; one of its members was elected as a Second Vice-Chairman of the Assembly defeating a CP-Moscow opponent; and the Zamora sector of the pro-Chinese CP also had many followers among the delegates. Nevertheless, the influence of these organisations suffered from their lack of direct representation as political entities.

Another major anomaly in the composition of the Assembly was the small size of the peasant representation, when the peasants are about two-thirds of the population of Bolivia. The reasons given for this situation were that the Independent Confederation of Bolivian Peasants which is recognised by the COB and therefore was the organisation which had delegates in the Assembly does not have the support of the majority of peasants; and moreover that peasants are 'petty-bourgeois'. But the Independent peasants have a strong and honourable revolutionary tradition, and they are growing and may succeed in breaking the traditional alliance between the army and the old and corrupted official peasant leaderships. Clearly it is correct that in a revolutionary Assembly, the proletariat should have an absolute majority, and the size of the peasant delegation should not be determined by their numerical weight in the population. But peasants can hardly be considered more 'petty-bourgeois' and less important from the point of view of the revolution than the 'middle class' organisations, including journalists, professionals and so on, which have more than twice the number of delegates in the Assembly. The real reason for these disproportions was that the pro-Moscow CP and the POR-Lora have largely ignored the peasants in Bolivia; they have no members in the Independent peasants' confederation, which is dominated by the POR-Gonzales and the pro-Chinese CP, and they do have strength in the urban middle classes.

The 132 delegates described as proletarian included delegates from the COB and 38 delegates from the miners. The delegates from the workers' and other organisations were not by any means all elected from the base of the organisations. In many cases they were appointed by their bureaucracies. For example, a big battle took place in the Assembly itself over the representation of the school-teachers' delegation. The leadership of the union had nominated four delegates from among itself; but the rank and file tea-

chers in La Paz had carried out their own elections and chosen a revolutionary Marxist, Guido Quezada, as their delegate; eventually the CP spokesman of the leadership had to retract and accept Quezada as one of the teachers' delegates. Roughly half of the miners' delegates were not miners at all, but members of the old and putrefied bureaucracy, dominated by the pro-Moscow CP and the POR-Lora, while the delegates elected from the base, the peasants, the four university delegates and some others, for example most members of the MIR would vote on the revolutionary side.

The Popular Assembly, which also has regional bodies, aroused very great expectations among workers and equally great fears on the right, as was clear from the constant rumours of pre-emptive coups. But, in practice, in its first session, it failed to live up to these hopes and fears. There were two possible outcomes of the Assembly. It could become an adjunct of the Torres regime, integrated to a greater or lesser extent. Or it could develop as an independent organ of workers' power, creating a situation of dual power. The pro-Moscow CP, apparently happy with the left complexion of Torres, appeared to have as its objective that the Assembly should become an appendage of the Government, supplicating, requesting and even assisting in the consolidation of the regime. It sought a representative Assembly which would express views on the bourgeois democratic tasks being carried out by the regime, demand greater progress and criticise shortcomings, and might eventually develop, by a different path, into some sort of Chilean solution, with Popular Unity under the hegemony of the pro-Moscow CP. In this scheme, the Bolivian economy would be bolstered by injections of Russian and East European 'aid' and Russian markets would become a substitute for American imperialism. Already there is a notable procession of Russian and East European officials on their way from Peru to Bolivia to Chile, with, it seems, privileged attention being given to Bolivia.

In these endeavours, the pro-Moscow CP was supported by the POR-Lora. In theory the position of Lora is somewhat different: the Assembly must develop into an organ of dual power, capable of taking power some time in the future; the essential difference between Lora and the POR-Gonzales is, again, in theory, on the question of the necessity of organising the armed instruments for taking power, since Lora expresses the spontaneist view that the workers will one day rise and take up arms and make it possible for the Assembly to exercise state power. But Lora's position in practice is worse than his position in theory. In practice his collaboration with the pro-Moscow CP, or the 'Holy Alliance' as the MIR for example has described it in its paper, has been so close and so visible throughout the Assembly and before it that their positions are virtually indistinguishable. In every vote that we observed, the pro-Moscow CP and Lora were on the same side. In one particularly shameful instance, both the CP and the POR-Lora voted with a small minority for the retention of the secret vote in the statutes of the Assembly. Repeatedly, throughout the Assembly, their delegates were to be seen in close tactical confabulation.

An intermediate position, a variant on the pro-Moscow scheme, less acceptable to the regime but still possible to accommodate within the norms of bourgeois democracy, would be for the Popular Assembly to become merely

a talking shop for the left, adopting resolutions which the Government would ignore but which the Assembly would not contemplate carrying out on its own account. For the Assembly to develop into an organ of dual power it must not only pass revolutionary resolutions, it must base itself on the struggles actually taking place in the country and it must generate further struggles; above all it must determine the ways in which its resolutions can be carried out, not through making requests to the generals, but by organising the armed strength of the workers.

In practice, the Assembly, in its first session, tended towards the intermediate position. From an early stage it divided into two currents, which can be roughly characterised as reformist and revolutionary. The reformists, who included the pro-Moscow CP and, as its faithful appendage, the POR-Lora, almost invariably lost in the votes, often by a very large majority. But the revolutionary majority was an *ad hoc* majority, responding to situations rather than creating them, and taking few and disorganised initiatives. The reformist minority made the running, introduced most of the resolutions, and succeeded in braking and slowing down the functioning of the Assembly. It was aggressive and coherent, and above all it had a marked capacity for manoeuvre, showing itself in its element in the manipulation of committees and drafts. Although its spokesmen were hissed and booed, their powers of oratorical exposition were greater than those of their opponents. They controlled sections of the union bureaucracy and were able to manoeuvre themselves into positions of power in the Committees of the Assembly (even though they lost most of the votes for the Presidium, above all losing the Chairmanship to Lechin, between whom and the CP Lora axis there is marked hostility). As a result the reformists played a role disproportionate to their support in the Assembly. Above all, although the reformists were forced by the voting to accept modifications in resolutions which tended in a revolutionary direction, the majority was unable to devise or even to begin to discuss the means by which the resolutions might be carried out, through the independent power of the working class.

The majority was disorganised and lacked cohesion. Unaccustomed to playing games it was occasionally helped out by the wily veteran Lechin, who made cracks at the expense of Lora and the pro-Moscow CP, outplayed them at their own games, and was apparently on the side of the angels, supporting the Independent peasants, the armed struggle, and the admission of the POR-Gonzales to the Assembly, in words at least. But Lechin is an unreliable ally; his enemies can quote innumerable betrayals, excused by Lechin on the grounds that he has always been with the workers; if he has made mistakes then they have been the mistakes of the working class.

One of Lechin's manoeuvres was in the wrong direction: by a high-handed decision of the Chair, and against the statutes, he determined, in what is most easily explainable as a tactical alliance with the CP and Lora, that the question of the admission of the POR-Gonzales should be decided in a subsequent session of the Political Committee, chaired by Simon Reyes, long-time CP miner's bureaucrat, rather than immediately in the Assembly itself, where the POR had much sympathy and support. Apart from the doubtful support of Lechin, the revolutionary majority in the Assembly lacked leadership which was effective in terms of the Assembly. Because it was largely

composed on rank-and-file workers and peasants it had a lower cultural level. Some of the delegates, notably the representative of the MIR, appeared frightened to advance their point of view.

In spite of this situation, in spite of the origins and composition of the Assembly, it was startling and extraordinary how time and again in the voting, the Assembly came out with a clear majority for the revolutionaries; on some occasions as much as three-quarters. An Assembly which included all the unions recognised by the COB, which was supposed to have a clear majority of workers, about half of whom were not even workers but union bureaucrats, which had a minimal representation of political parties and which excluded one of the most revolutionary of these parties, yet came out time and again with a big majority to the *left* of the pro-Moscow CP and of a group which calls itself Trotskyist. Nobody openly supported the Torres regime; nobody talked of anything but socialism, revolution, and the fight against imperialism, in a manner unthinkable in, say, the TUC. The pro-Moscow CP and Lora suffered humiliating defeats, to the extent that at one stage they forced the miners' delegation to threaten to withdraw. Filemon Escobar, a member of the miners' bureaucracy, and of the POR-Lora, claimed that the Assembly had been taken over by the peasants and the petty bourgeois, and that the principle of proletarian domination had been destroyed. Apart from the fact that Escobar himself is not a miner and had not been elected from the base (the POR-Lora was defeated in the mine he is supposed to represent), but was in the Assembly for chance reasons connected with the functioning of his union. The Assembly had in fact been taken over by a solid block of peasants, four university representatives, and at the arithmetical minimum, half of the delegates of the proletarian organisations. '*El proletario soy yo*, Filemon Escobar' ('I am the proletarian') wrote the MIR, mocking him. (The POR-Lora's favourite term of abuse is 'petty bourgeois.' The POR-Lora's mini-delegation in the Popular Assembly has a majority of petty bourgeois members. All of the POR-Gonzales members in the Assembly are workers or peasants).

These issues emerged with particular clarity in the debate on the peasants. The debate arose as a result of disagreement on whether the peasants in the Assembly should occupy one of the second vice-chairmanships. Early on the reformists accepted that a second vice-chairman should be a peasant. But they balked, to the extent of forcing a two-day debate, at the idea that the post should be filled from one of the existing peasant delegates, in other words by a member of the Independent Confederation, or in other words almost inevitably by a member of the POR-Gonzales or of the pro-Chinese CP. At Lora's suggestion, they summoned their considerable demagogic and manoeuvrist abilities in defense of the position that the post should be left vacant until a fresh Congress of Peasants had been organised from which new delegates could be elected. This, they fluently argued, would ensure the unity of the peasants; and if the Assembly was not capable of organising a peasants' congress, what use was it? Actually, the only practicable peasants' congress, that of the Independent peasants, had just taken place only days earlier. A further one was indeed projected for August, and might 'represent' a greater percentage of the peasant population; but it was called by the Minister of Agriculture and would be composed of the corrupt offi-

cial-salaried leaderships of the Army-Peasant pacts. The pro-Moscow CP and the POR-Lora have virtually no strength among any sector of the peasants and are wholly incapable of, and apparently until this moment disinterested in, building up enough support among the peasants to call a Congress of their own.

Calling for different peasant representation from a different Congress is tantamount to calling for the introduction of government agents into the Assembly. It fits oddly with diatribes against the petty bourgeoisie, since the official peasant unions have been used not only as the power base of Barrientos and other bourgeois and military governments, but actually physically against the miners; whereas the Independent peasants have both fought consistently against pacts with the army, and acknowledged the supremacy of the proletariat in making the revolution and their own role as allies in this process. The Assembly is not or should not be a representative body but an instrument of the proletarian revolution; why else should it be dominated by a numerical minority of the population, the proletariat? Why then, all of a sudden, worry about the representativity of the revolutionary section of the peasants? The answer was simple: because the pro-Moscow CP and POR-Lora have no influence in this sector, and because the Independent peasants are inexorably opposed to the peaceful road via Torres. The lines between the revolutionaries and the reformists were clear. When it finally came to the point of voting, the Chairman suggested the delegates should vote 'no' or 'yes' to the filling of the post by an Independent peasant. At this point the pro-Moscow CP delegates lost their nerve and suggested the substitution of the words '*despues*' ('after' the new Congress) and '*ahora*' ('now'). Rightly, because in spite of this last minute manoeuvre, the '*ahora*' won by a three-quarters majority. This was the first victory of the Assembly.

It was perhaps the only clear political victory of the first session of the Assembly. Although even this question was introduced almost as a side issue of an organisational discussion on the filling of the Presidium, others were worse. The disorganisation of the revolutionary left meant that points of real political substance were not discussed and directly confronted. Although some delegates tried to protest, the question of the armed organisation of the Assembly went by with a shrug, a long list of organisational posts to be filled in some hypothetical armed force, and a totally disingenuous attempt at evasion by a pro-Moscow delegate who said that such matters could not be discussed in the Assembly because of the demands of clandestinity (he was suitably booed for his pains). The question of the armed struggle might have been introduced for clear political debate through a resolution in support of the pro-Chinese leader, Oscar Zamora, currently the object of repression for his participation in a land occupation in the province of Santa Cruz. But the resolution was introduced in such a disorganised and sectarian manner that it was an easy target for the attacks of the pro-Moscow CP and Lora, wanting, they said, not to tag along such adventurist paths. The result was merely a general declaration of support for all those subject to repression.

Clearest expression of all of the failure of the Assembly to develop into an organ of dual power was the debate on 'co-participation' in Comibol

(*Corporacion Minera Boliviana* - the nationalised tin mining industry, Bolivia's main enterprise and source of revenue). The idea was introduced on the initiative of Comibol itself and presented in a document written by the bureaucracy of the Miners' Union. The document proposed that the miners should have parity with the government on the governing body of Comibol, and that the general manager should be elected by this body according to a slate drawn up by miners' assemblies which would also elect the workers' representatives on the governing body. It presented revolutionaries with a difficult problem. First, Comibol is currently in major financial difficulties and miners' jobs are threatened. The project was put forward as a means of saving Comibol from disaster, putting an end to the use of its funds for political purposes, reviving Comibol and making it more efficient. It therefore ultimately has the support of many rank and file miners, whose livelihood depends on the survival of Comibol. Second, control of Comibol by the miners could in theory give them considerable power because of the central role of Comibol in the economy. But in practice the project means co-government. It means that the miners were proposing to rescue Comibol from its difficulties; the document contained numerous references to the miners taking 'responsibility' for the correct functioning of the mining industry, preventing any unnecessary stoppages, preventing the removal or damage of Comibol property, etc. It would have the effect of consolidating the Torres regime. It was supported by the pro-Moscow CP and bore many signs of its parentage: a paragraph in the document explained, for example, that economic decentralisation and autonomy for Comibol was necessary for the efficiency of Comibol, both under capitalism and under socialism. The project could be said to be in the interests of the Soviet state, in the sense that the Russian state is becoming a big customer of Comibol and wants a regular and cheap supply of Bolivian tin. Most important of all, a proposal for co-participation in Comibol represents a diversion from the real and major issue: the taking of state power. Lora, supporting the project, said that participation in Comibol could provide a bridge towards socialism and advised the delegates, in one of his anti-guerrilla sallies, to struggle concretely in Comibol, instead of 'going peacefully (*tranquilmente*) off to the mountains'. In other words, it was more important to make reformist gains in the mining industry than to be concerned about creating the armed instruments for taking power.

The revolutionary majority in the Assembly, faced with these problems, produced a confused response. After a long debate, a resolution was proposed and received the votes of the majority which was supposed to make a change in the miners' union's proposals: the miners' representatives were to have not parity, but what amounted to a majority, on the governing body of Comibol. If this actually made any difference and amounted to real control of Comibol, Torres was not going to accept it. But the Assembly never succeeded in going outside the framework fixed by the original document of making proposals to Torres for participation, majority or otherwise, in Comibol. Above all, the question of *how* to obtain majority participation, supposing this was considered a desirable objective, was not discussed. The Assembly was therefore left with the assumption that a majority in Comibol was to be obtained in the same way as parity: by asking Torres. Much the

same happened with other resolutions: although references to 'demanding' (of the Torres regime) which had slipped into the wording were usually noticed by the revolutionaries and voted out, no actual practical substitute was proposed, since the crucial debate on armed organisation was evaded.

The question is whether this situation will continue and crystallise until the Popular Assembly becomes merely an appendage of the Government. Torres certainly has no objections to the prospect of integrating the Popular Assembly into the machinery of government. He has taken the initiative in declaring that dual power does not exist because he is at one with the Popular Assembly, and his declarations subsequent to this first session show that he fears little from it at the moment. The Assembly is to meet again in two months' time; meanwhile its work continues in committees. There is an obvious danger that the reformist minority, as a result of its bureaucratic skills, will gain ground in the face of a lack of organised alternatives. The reformists have so far succeeded in manoeuvring to achieve the postponement of the admission of the POR to the Assembly. They may also succeed, through the Committees, in changing the composition of the peasant representation, and thus substituting agents of the government for the solid revolutionary block formed by the Independent peasants.

But it seems unlikely that the reformists will succeed in consolidating the Torres regime with the help of a tamed Assembly. First, the objective situation is not conducive to such a prospect. In some ways the situation in the country as a whole reflects the situation inside the Assembly: there is a militant but disorganised majority; the reformists occupy positions of influence and leadership, in particular in the unions, and have superior organisational and intellectual capacities, at least in quantity. But outside the Assembly their capacity to control events is even less than it is inside. There is a constant tendency, in Bolivia, towards even greater radicalisation, towards armed struggle and the creagion of conflicts, leading inevitably towards confrontation of the popular forces with the army. And the course of the Assembly will ultimately be determined by what happens outside it.

In addition, the revolutionary political parties, in particular the POR-Gonzales, have decided that the Assembly is worth taking seriously. At first they tended to have an attitude of watching the Assembly to see how it turned out, rather than actually participating in it. The fact that POR members are delegates in the Assembly is not the result of any special organisation with the Assembly in mind, but simply of the POR's current political work among workers and peasants, which ensures that its members are naturally elected as delegates. For the next session, the POR considering that the Assembly does have a role to play in evolving a revolutionary leadership and the organs of workers' power, is organising its representation and is preparing to struggle inside the Assembly. It plans many more delegates who will represent the militant bases of the mines, the workers and the peasants. Similarly members of the pro-Chinese CP assert that these bases will be much better represented in the next Assembly. In this way there is the prospect that the revolutionary majority will, at last, have its leadership. The revolutionary organisations are already working together, possibly to form a front, at any rate to co-ordinate their activity in the Assembly: meetings

have taken place between the POR-Gonzales, the pro-Chinese CP, the MIR and Lechin, although Lechin's reliability as an ally of the revolutionary left is not taken for granted.

The view of the POR-Gonzales is very clearly that the development of the Assembly depends on the struggle outside. The Assembly, if it is to serve the revolution, must deal with two main problems: since the revolution cannot be made against the will of the peasant majority, it must deal with the political-social situation in the countryside where there is increasing agitation and an increasing number of land occupations, many of them organised by the POR and the pro-Chinese CP; and it must deal with the creation of a revolutionary popular army. Ultimately the Assembly must discuss the means of taking power. But to make this possible, the POR intends to push forward as rapidly as possible, outside the Assembly, on the two immediate problems, leading and carrying through the land occupations demanded by the peasants (the Independent peasants in their Congress voted for the immediate liquidation of the remaining *latifundia*), and organising the revolutionary peoples' army. Thus it hopes to present the Assembly with real political problems to discuss and upon which to determine its position, and a framework on intensified class struggle within which to develop the organs of dual power.

What conclusions do we draw from this first session of the Assembly? First we can see its positive aspects. Undoubtedly it is an achievement of the working class, born out of the defeat of last October. This defeat showed clearly the need for the workers to develop their own organs of power, rather than having to rely on a section of the bourgeois army. The Assembly is a spontaneous creation, an organ of potential power, a hybrid animal, a cross between an English Trades Council, a bourgeois parliament without the bourgeoisie and an incipient Soviet. While the left is split into numerous sections and the number of political groups per head of population may be greater in Bolivia than anywhere else, the sheer fact that these warring elements are capable of this joint degree of organisation under pressure of the masses, is nothing less than extraordinary. In England, in France, for the equivalents of these groups to spend ten days closeted together is today unthinkable. Pressured by events the Assembly, at least in terms of its existence, is addressing itself to the actual problems, to the real need, of how to take power. The very existence of the Assembly, composed as it is, of left bureaucrats, political egg heads and the masses of Bolivia, existing side by side with this desperate military solution of a pink cabal of generals, represents the continuing force of the Bolivian revolution seeking the way to its final triumph. It represents an attempt of the masses to organise after the repression, the defeats and massacres. And the debates, the discussions, however insufficient and inconclusive, are about the revolution which everyone knows is knocking at the door. Socialism is the only item on the agenda. The discussion is real, it is about today. The hypothetical belongs elsewhere. If the *foco* theory is universally discredited, the recent progress of politics in Bolivia, since the time that Che Guevara landed from Madrid, has been a shortened, telescoped, progress of the revolutionary road. The guerillas have achieved this much: they have brought about the ultimate crisis.

But there are still three possible outcomes, in the short term. There cou-

ld be a ferocious repression of the Brazilian type bringing an end to the opportunities for political and military organisation provided by the Torres regime, hitting the left before it is ready to take the offensive, and reducing it to rearguard actions of the type that currently exists in Brazil. Or the venal *vendedores* of Soviet aid may get their way, and Bolivia may join Eastern Europe; the support of the reformists for Torres may stop the revolutionary process and Bolivia will close towards Peru and Chile and force Fidel to be more consistent. But likelier than either of these more or less dismal prospects is that the Bolivian revolution has travelled too far already for these to be possible. In Bolivia the workers, the peasants and the students are preparing for the armed struggle, are developing the revolution themselves, physically, against all odds. It is this issue, the reality of a people ready to take up arms, with which the Assembly is confronted.

For the Assembly to progress, for the revolution to develop, the revolutionary majority inside must find its way of interlocking with the struggle outside. The revolutionaries have to respond to and lead and support, incite and instigate, the actual process already in hand, the taking of haciendas, the punishing of the right, the desire of the workers to control, the hundred acts which represent the revolution now.

More than that, it is the struggle outside the Assembly which will secure the revolution and prevent its institutionalisation. The process in the country must be accelerated, deepened, developed. The armed struggle to take power must continue on all fronts. The development of the revolutionary army and the workers' and peasants' militias is more vital than the battle in the Assembly. The prosecution of armed actions, the development of the fight is the revolution. The Assembly can focus this, expose the treachery of the revisionists and reformists. It must issue its calls to action, confront the regime, develop revolutionary unity, lead struggles and begin to exercise the dual power which it can come to constitute. But above all it is the mobilisation of the masses in actual struggle, the development of the revolutionary army which will guarantee the Bolivian revolution against repression or reformism.

Glossary of Political Organisations.

In the Popular Assembly.

PCB Bolivian Communist Party (Pro-Moscow).

PC (ML) Communist Party (Marxist-Leninist). Pro-Chinese. The pro-Chinese CP is divided into two or three sections. The section officially represented in the Popular Assembly is led by Ruis Gonzales, whose separation from the pro-Moscow CP originated in personal rivalries rather than political differences. Another section led by Oscar Zamora has recently been engaged in the creation of a peasant base and in land occupations in the pro-

vince of Santa Cruz. Zamora was exiled to Chile by Torres but recently returned clandestinely.

PRIN Revolutionary Party of the National Left. A left split from MNR. Led by Juan Lechin. General Secretary of the COB, a *caudillo* figure and long-standing miners' leader.

POR (Lora) A Trotskyist Group which split from the POR (Gonzales) in 1954. It has affinities with the Socialist Labour League. Led by Guillermo Lora.

PDCR Revolutionary Christian Democrat Party. Now in the MIR.

MR Espartaco Revolutionary Spartacus Movement. A later left split from the MNR. Mainly intellectuals. Now in the MIR.

Other Organisations.

POR (Gonzales) Bolivian Section of the Fourth International, led by Hugo Gonzales Moscoso.

ELN National Liberation Army. Formed by Che Guevara.

MIR Left Revolutionary Movement. Recently formed as an electoral front in the Universities. Now a party, incorporates MR Espartaco, PDCR, Independent Marxists and elements of the MNR.

MNR National Revolutionary Movement. Took power in the 1952 revolution. Progressively sold out to imperialism.

PS Socialist Party. Newly formed and semi-official. Has applied for delegates to the Popular Assembly. Includes ex-ministers of the Barrientos and Ovando Governments.

Interview with Hugo Gonzales Moscoso

What is your assessment of the present situation, of the possibility of a right-wing coup, and of the actions to be taken in such an event?

We think the present situation is one of extraordinary instability. The power crisis has lasted since 1964, with spectacular expressions, such as the Arguedas affair⁽¹⁾ and the single day last October in which there were no less than four governments. This crisis is steadily deepening. The Torres government is very weak, without any authority. It is kept in power by the fear that the army has for the chaos which would result from a change. Torres finds himself between two fires: on the one hand is the army, which in the main is still united; it is not in disintegration, it has not suffered defeats, its crises are marginal, it is only superficially damaged in a way that does not jeopardise the whole. On the other hand, is the workers' movement and the Bolivian left which is becoming increasingly radicalised, starting from an already high level, towards socialism; it has finished with bourgeois democratic methods and the only thing left for it is to fight for socialism. This can be seen in the declarations of the workers' organisations and of any worker or peasant. It is not simply a form of protest; the Matilde miners for example are proposing the control of the mine. There is a direct struggle for socialism. Torres is situated between the masses and the army together with the civilian right, the Falange, the MNR, Paz Estensorro. He has no authority.

One example of his weakness was the problem of the raising of bus fares. The government authorised it, but within 24 hours it had to withdraw this permission; the people did not accept the increases, there was a mobilisation and a boycott of the buses. The transport bosses called a strike but it ended in defeat and the fares remained as before. It showed clearly the weakness

of the government: under pressure from the bosses it decreed an increase and under the pressure of the workers it had to withdraw it. The government is hated by the right and it also has the hatred and lack of confidence of the left. The right, or, in political terms, the bourgeoisie is very weak; above all it is dependent on import activities. As a whole, as a class, it is weak and does not have political instruments; the only instrument at its disposal is the army. The army is not happy with the present situation, and it allows Torres to stay in power only from fear of a popular uprising. But it sees that instead of slowing down this movement and of absorbing the radicalisation of the masses, Torres has no authority and is therefore useless. Instead of carrying out its role of acting as a brake, it is a government which, on account of its vacillations, indirectly pushes forward the agitation of the masses. The army and imperialism are following these events with care, preparing and organising a coup d'état. It is a process that is under way; they are only waiting for the right moment to carry it out, a 'cold' situation. But this is very difficult in the present situation, the government cannot be changed without anything at all happening, because of the watchfulness of the masses. They are obliged to postpone the coup. The army did make an attempt on February 11, but the result was a tremendous mobilisation of the masses. It made another attempt in Santa Cruz and took the city in two hours; but it had to withdraw. It wants to make its coup with certain popular characteristics and for this reason it is trying to use sections of the MNR and of the peasants. But this period of waiting cannot last for long. It is going to carry out its attempt even if it initially results in a blood-bath.

What do you think Torres's position would be, in the event of a coup?

I think he would resign, arriving at an agreement with the army. In present conditions, the army - as representative of the bourgeoisie - cannot allow the left and the masses to go on overcoming its weaknesses and developing strength. We have to foresee that the coup will come. We have to prepare ourselves. In present conditions there is a contrast between the radicalisation in political terms of the masses and the strength of its working organisations. This contrast causes us to conclude that if there was a coup now, it would be a military victory for the right and the army. But this would not allow it to do more than control certain cities. It would re-establish the armed struggle at a much higher level than in the period of the guerillas of Nanchahuazu and Teoponte.

Although we cannot confront the army in a frontal war, the coup and the control of the state machine and certain cities by the army would open a period of multiform struggle: in the cities, in the countryside, in the mines and in guerilla fronts in the mountains. Having regard to the relationship of forces, this is the most likely outcome.

We foresaw this in the crisis of last October and we issued a declaration taking the position that the Torres regime was not a popular victory, but much more the defeat of the Bolivian left. The October crisis should have brought the masses to power. But what was lacking was a unified political command, a popular army and organs of representation and expression of the masses. Until these problems are resolved, any crisis will be resolved in favour of the army and of sections of the bourgeoisie.

From that time until now, the masses have only been able to create the Popular Assembly. And, in a half-hearted fashion, the COB⁽²⁾ has issued a call for the arming of the workers. But the form in which this call was made causes me to give it no more than a propaganda value. They are organising the High Command before organising the militias, before having a real discussion of the armed struggle. We proposed precisely these needs, they have taken up the idea, but in an unserious manner. In an organised sense there are no militias in Bolivia; it is necessary to create them. Those sectors that are influenced by us are the first to begin this. During the May Day demonstration a section of workers influenced by us marched with a large poster saying, 'We need a Revolutionary Peoples' Army,' and behind it came groups of selected workers wearing the uniform of the guerillas - the beret and star of Che Guevara, and carrying arms; it was euphoric, an instruction to the people. But this is not what the trade union leadership is thinking of.

If the arming of the workers is not organised, if the popular army does not develop, we think that the coup will easily be able to re-establish the army's control. But this control will not last. That situation will be the opening of the war. We don't think in terms of any fixed model. It will be a civil war on a national scale with different fronts. It will be the beginning of a long war for which we are now preparing.

How does the POR view the Popular Assembly and the positions of the PCB (Bolivian Communist Party), the POR (Lora)⁽³⁾, Lechin and the PRIN (National Left Revolutionary Party)?

We believe that this is a force that can overcome one of the drawbacks of the Bolivian left and the revolutionary process. It must develop itself as a power of the working class, it must create dual power and represent workers' power in the face of the bourgeois power. We say that the Popular Assembly must not simply criticise the government or defend the interests of the working class (as it says in its statutes), but it must debate in order to resolve both workers' problems and national problems. To do the opposite would be to become a form of bourgeois parliament. The revolutionary process needs a democratic body which will express the will of the masses towards the taking of power. The Assembly has two possibilities for its future development. One is that it will be neutralised by the government; within it are forces that are working in this sense, reformist currents that are already working with a form of agreement with the government, especially the PCB (pro-Moscow). As usual, the position of Lora is ambiguous. He says that the Popular Assembly must be an organ of power. But when? In the vague future. Meanwhile it should take up a position of discussing national problems in a reformist manner. Filemon Escobar, the POR (Lora) miners' leader said that it was necessary to study the matter of trials for those who have assassinated workers and to discuss the question of the mines. These are important subjects, but only if they are situated within the framework of dual power. Let us assume that the Assembly studies the massacres that took place in the mines. Is it going to demand that Torres should punish the guilty? Lora talks of dual power but does not conceive of it actually taking place, effectively. The PRIN's position and that of Lechin, its leader, also revolves around workers' power. But here it is a question of in-

stalments: in the first period it is necessary to deal with national problems, without proposing the taking of power, and in practical terms they do not propose a confrontation but want to establish the Popular Assembly.

But the problem cannot be solved except in terms of class struggle. Suppose the army attacks and establishes a Barrientos type regime. The Popular Assembly could possibly be incorporated into the military regime. But at the same time, we believe that the revolutionary forces that are working within the Assembly and that are drawn from the masses together with the crisis of the capitalist regime and of power demonstrate that the most likely development of the Popular Assembly will be in the direction of workers' power. There will be two tendencies. The tendency towards incorporation can develop initially but will be overtaken. It is not simply a question of political manoeuvring, but of the ability of the government to concede something to the masses. But there are no reforms that it can give. For example, it cannot nationalise companies because enterprises barely exist. The pressure that is coming from the masses will force the tendency towards dual power. This tendency will also bring nearer the coup and the confrontation. We know that dual power is nothing more than a brief occurrence with two powers contesting for control of the country. We have to know how to utilise it.

What are the forms of the armed struggle likely to be?

They will be various. It is not possible to say that they will be of the Cuban type, or the Guatemalan type. The armed struggle will accord with Bolivian conditions, with the level of consciousness that exists here and with the deficiencies that exist in the left. If an army could be constructed on the basis of the trade unions and the peasants there would be two armies and the struggle would have a special character. But this problem has not been resolved. The confrontation, then, will have forms characteristic of the revolutionary war, of a guerilla and of a civil war with separate fronts. Certain of the acts that the army right has engaged in show the possibilities that it still has. In February, the Rangers⁽⁴⁾ took the city of Santa Cruz in two hours and changed the local authorities. They could do the same here in La Paz, or in Cochabamba: one night, out comes the army and it takes the city. There is not the strength, organised and ready, to resist. The masses would come out on to the streets, skirmishes would take place, but later, we would have to conduct a commando war, a war of guerillas. In the mines they are better organised and in the countryside armed regiments are already developing; there the situation will be different and there will be other forms of struggle.

But apart from the forms that the struggle is going to take, there are two questions to be examined, in the light of the situation. There will be one army led by a party, and another formed at the level of trade unions. In time they could come to be one.

We are living in the reality of Bolivia. There are workers' organisations that are in agreement with the armed struggle, but from the point of view of their organisations. What answer, what slogan do we have to advance for them? We say that it is necessary to organise the Popular Workers' Army. The COB has arrived at the same slogan after we did. Our militants, work-

ers and peasants, at the same time as organising the party have also to organise this popular army and to be the nucleus of it. We work at that as well.

We do not see any contradiction between organising an army based on a party and working to develop the popular army. Rather, our development through the revolutionary army can assist this tendency of the working class, as a class, to arm itself. The future civil war will be able to count on this popular, massive, support whether or not the popular army becomes a concrete fact. And in the future, a revolutionary army, superior to the army of the party, will be able to develop, and we shall be in the heart of it.

In Bolivia, the parties that support the armed struggle are the ELN⁽⁵⁾, the pro-Chinese (who project the prolonged peasant war) and the MIR⁽⁶⁾. Our position is the most complete and integrated; we see the problem as a whole and not only the problem of organising. We believe we have gained a certain amount of prestige as far as the ELN and the MIR are concerned, and we have very good relations with the pro-Chinese groups. We are able to co-ordinate with them. This is something that flows fundamentally from our political line. But there is something else as well, the weight of the Fourth International and in particular the struggle of our comrades in Argentina gives us authority. We believe it is possible to co-ordinate work in the mass movement and to develop the formation of a military organisation much bigger than that which now exists.

We believe it is necessary to start armed actions immediately, linked to the solution of the workers' problems. For example, we are intervening in the seizure of lands in the province of La Paz. One opportunity that we have results from the fact that the Independent Confederation of Bolivian Peasants resolved at its Congress to liquidate the latifundia. We are going to intervene in carrying out that resolution. We are going to carry out actions similar though not identical to those occurring in Argentina. This is an immediate question and is going to strengthen the tendency towards dual power and confrontation.

What are your relations with the ELN now, and what were they in the past?

Our present relations with the ELN, as I was saying, are sympathetic, in a way that corresponds to revolutionary organisations involved in the armed struggle for socialism.

Since the public appearance of the ELN, under the command of Che Guevara, in the guerilla of Nanchuazu, it has had the public support of our organisation. And not only that, but we proposed our own incorporation, as fighters. However, from May 1967 until October of the same year, those in charge of the Urban organisation of the ELN were not able to arrange this incorporation, agreed by Che. After the assassination of Che, within a few months we arrived at an agreement for joining work, whilst maintaining separate organisations, in order to reorganise and prepare the continuation of the guerilla struggle on the urban front and among the miners and in the countryside, linked with the masses. This joining work, developed by Inti Paredo and ourselves was cut short by the repression of 1969, in which members of the ELN and the POR were killed and taken prisoner. Inti also dispersed both organisations. The reorganisation carried out afterwards, for differing

reasons, was carried out by each organisation separately. After that came Teoponte and other setbacks.

The actions and history of these last years has demonstrated that the ELN and the POR are the organisations most akin to each other in the armed struggle for socialism. For this reason there is sympathy between them, although differences exist as regards the conception of the armed struggle, differences which are tending to be reduced as lessons are learnt from experience and the development of the process.

We have always held the position that there must be a guerilla linked with the masses, developed in the principal cities and in the mines where there is the most radicalised and politicised section of the Bolivian proletariat and in the countryside, at the side of the peasant masses. These conceptions have nothing in common with focoism.

How do you resolve the problem of combining the armed struggle with the political struggle of the masses?

In Bolivia the problems of armed actions and the political struggle of the masses are related. Our party does open work with its militants. For example, in the Peasants' Congress we proposed our programme and five of our comrades were elected to the Executive. We are working in the countryside, in the universities and in workers' organisations. We are trying to benefit from the political situation that exists at the moment. We are winning leading positions in the workers' and peasants' organisations. Perhaps the most important is that the Bolivian Independent Peasants' Confederation is influenced by us. The leadership is divided amongst ourselves, the pro-Chinese, with the MIR and the MNR⁽⁷⁾ holding a minority. The Confederation itself has an overall majority in the district of La Paz, in the Altiplano and also in the Santa Cruz area; we are going to carry out a struggle to cause the government organisations in the countryside to be destroyed. In the countryside we are making advances, particularly in the Altiplano and at Santa Cruz. It is there that we are concentrating our forces for the moment.

We are working in the mines, especially at Huanuni, which is the biggest of the nationalised mines, employing 4,000 workers, and we have a comrade there in the leadership. At Catavi and Siglo our comrades were sacked by Barrientos; now they are re-incorporating themselves in the work and reorganising themselves. We also hold the leadership of the flour-workers union, which represents 6,000 workers.

In the University we are making important advances in La Paz, Cruro and Cochabamba. Together with the ELN we have contributed to the success of the line of armed struggle in the University, supporting the election of the MIR, which at that time was a front within the University with M.R. Espartaco⁽⁸⁾, the Revolutionary Christian Democrats, Independent Marxists and ourselves. We were at the centre of these activities and have gained much respect for our position.

The composition of the party is mainly worker and after that, peasant. Notwithstanding our programme in the University, the intellectual sector of the party is small. We consider this a weakness, considering the cultural level of the country and the important and necessary role of intellectuals. The rad-

icalisation of intellectuals can provide leadership for the working class and the peasantry. The shortage of cadres at this level is restricting our work at the moment and it is for this reason that we are interested in the work in the University.

We believe that the construction of the party has to be done through combined work at the political and the military level. In the Barrientos period, it had to be almost exclusively military work because there were no opportunities for open work. Now there are conditions and we are going forward with both methods of work: after many attempts, we have been able to achieve a balance between political work and clandestine work. We believe we have made advances, above all since last October, despite the fact that we had lived through a fierce repression.

Footnotes

- (1) Arguedas. This case symbolises the instability. He was a minister in the Barrientos Government and is still remembered in Bolivia for his complicity in the massacre of miners and other repressive acts. He claims to have been a CIA agent within the Cabinet, but was responsible for sending Che's diary to Cuba and the deathmask and hands of Che. He is now in Cuba.
- (2) Confederacion Obrera Boliviana. Bolivian TUC.
- (3) The POR split in 1954; the Lora section of the POR has relations with the Socialist Labour League.
- (4) Rangers. A crack regiment, trained by the Americans and used against Che Guevara.
- (5) M.I.R. Movement of Left Revolutionaries.
- (6) E.L.N. National Liberation Army formed by Che Guevara.
- (7) M.N.R. Revolutionary National Movement. Took power in the 1952 revolution and gradually sold out to imperialism.
- (8) M.R. Espartaco. Revolutionary Spartacus Movement. A left split from the M.N.R.

REVIEW

'The Decline of Working-Class Politics' by Barry Hindess. MacGibbon & Kee.

Barry Hindess has written a very important and relevant book; its importance and relevance not being substantially diminished by the essential faultiness of his analysis. He is basically trying to grasp what changes have occurred in the Labour Party since the early '50s, what caused them and what are the political consequences. Hindess sees this period as being one when the working class lost control over the Labour Party. Thus, Atlee's cabinets from 1945 to '50 contained roughly 50% of ministers from working-class backgrounds. The Wilson cabinet after the October 1969 reshuffle contained exactly 0.0%. Rather more significant is the evidence from the survey of the Liverpool Labour Party that Hindess carried out in the mid and late '60s. In the early 1950s the ward Parties in middle class areas were smaller and exerted less influence than the wards in the working-class areas. By the time of his survey the position was reversed. The membership of the middle-class wards averaged 142, whilst the average in the working-class areas was down to 86. In some cases the ward Parties in working-class areas had disintegrated altogether. The general decline in L.P. membership since 1963 therefore was emphasised in its effects by a steeper decline in working-class areas. When the working-class wards are considered on their own, it is discovered that these areas have a professional/managerial sector that is 5.3% of the whole population. However, this sector provides 50% of the ward L.P. officials. Unskilled workers constitute 25% of the population and provide 0% of the ward L.P. officials. These combined tendencies led to a shift of power towards the wards in middle-class areas that was reflected in the local council and in the Labour Group. The net result of this process, according to Hindess, was a transformation of the L.P. from a workers' organis-

ation:

'In many respects it seems ... reasonable to claim that Britain now possesses two major, and one minor, middle-class parties.'

How does Hindess explain the causes of this process? Contemporary capitalism has centralised itself and has limited the scope of local politics. The emergence of massive national and international companies, state intervention and welfarism has provided a relatively stable basis for consensus politics. Party politics are now a discussion about the techniques of applying national initiatives in which an inevitably elitist professionalism dominates. In other words, the legs have been cut off the old breed of charismatic Labour local activists who got slates put back on your roof. This tendency reinforces and is reinforced by the drift to middle-class control of the local Labour Parties. The wards in middle-class areas relate to national politics, whereas the wards in working-class areas discuss in terms of ward or city politics. A further differentiation emerges when the topics discussed are analysed. A ward in a middle-class area deals with issues such as foreign policy, immigration and the national economy, but 50% of policy discussions in working-class area wards deal with local housing. These interests are increasingly defined as 'non-political.' As a result, working-class members drift away, the predominance of the middle-class and the middle-class concept of politics is strengthened and the vicious circle continues.

The political consequences of this change Hindess considers to be very far-reaching:

'It is difficult ... to use class consciousness as an explanation of Labour voting or of more active support - except perhaps in terms of traditional allegiance.'

This means that many workers no longer see any sense in voting for Labour or voting at all. It also explains both the steady decline in percentage votes cast in urban working-class districts and the extreme volatility in recent years of voting intentions. Hindess argues that considerable numbers of workers are moving out of the sphere of formal Party politics. This is expressed by the emergence of tenants' asso-

ciations in working-class areas that carry out functions that previously the L.P. would have done on a local level. Such extra-political activities as community associations, the squatters, town-planning groups, environmental protection, Shelter and protests against the siting of airports will eventually explicitly reject orthodox politics. A new era in British politics will begin.

It is important to analyse these arguments carefully, especially since most of them contain at least an element of truth. The views of Hindess on the changing sociological base of L.P. membership is probably correct. It is not possible to argue that what is true of Liverpool is necessarily true of the rest of England, Scotland and Wales, but the thesis does correspond with what facts are known. The causation of this process is more complicated than Hindess supposes. Certainly, the L.P. has attempted to change its traditional role and to supplant the Tory Party as the 'national' ruling party that is more sensitive and responsive to the needs of neo-capitalism. Hindess attempts to focus the contradictions inherent in this stance in one major field - that of housing. But the haemorrhage of L.P. members owed just as much to Vietnam and even more to the anti-union policies of the Labour government. This is not a minor point but exposes a crucial methodological error in the approach of Hindess. Bourgeois sociology has a decided preference to deal with the worker as a consumer rather than as a producer, and for very obvious reasons. In the early '60s, Michael Young wrote a pamphlet *The Chipped White Cups of Dover* that the Fabian Society refused to publish. His thesis was that traditional politics were on their way out and would be replaced by grass-roots

organisation dedicated to consumer research and protection. Hindess has succeeded in resurrecting, admittedly with a left bias, consumerism. Marxists, however, remain unconvinced that Which, Shelter or the Foulness Protection Society offer the dynamic to replace capitalism. Our analysis begins at the point of production. Hindess has written a book on the L.P. that scarcely mentions the unions, and this leads to a series of errors.

The L.P., from the point of view of leadership, programme and social function, is a bourgeois party. It has a dual nature in that it possesses an organisational link with the trade-unions. This link, particularly at a.m.c. level, has been weakened but still remains. As long as this connexion exists the *possibility* of workers formulating their political ideas within a L.P. context remains. The L.P. cannot, in spite of certain surface similarities at this moment in time, be equated with an irrelevant shell like the French Socialist Party or a bourgeois party pure and simple like the American Democratic Party. A small number of advanced worker militants have rejected Labourism, and have gone beyond it, but the majority (unfortunately) of workers who do not vote have retreated to a helpless and privatised apathy that fails to recognise any possibility of political change. The transcending of Labourism will not be by erosion or consumerism, but requires a conscious political fight and the intervention of revolutionaries. This however is another story and the book that already indicated that line of struggle and precisely identifies the changing nature of the L.P. has yet to be written.

A. Jenkins

IMG PUBLICATIONS

182 Pentonville Road, London N.1. Tel: 01-837 6954

Inconsistencies of State Capitalism	Ernest Mandel	: 25p
The Mystifications of State Capitalism	Ernest Mandel	: 10p
The Credibility Gap—The Politics of the SLL. . .	Tony Whelan	: 25p
The Fight for Control: Militants in the Trade Unions		: 2p
Manifesto of the Revolutionary Socialist Party, Czechoslovakia		: 4p
Martyrs of the Third International: Karl Liebknecht, Rosa Luxembourg	Leon Trotsky	: 8p
The Industrial Relations Bill: A Declaration of War	Peter Hampton	: 5p
The Changing Role of the Bourgeois University	Ernest Mandel	: 5p
Class Consciousness & the Leninist Party	Ernest Mandel	: 6p
The Leninist Theory of Organisation	Ernest Mandel	: 15p
Booklist for Women's Liberation	Leonora Lloyd	: 10p
The Irregular Movement of History	Warde	: 12½p
The Struggle in Bengal & The Fourth International	Tariq Ali et al	: 10p
The Post Office Workers v. The State	John Weal	: 8p
The Nightcleaners Campaign	London Socialist Woman Group	: 15p
Racism—What It Is: How to Fight It		: 2p
Theories of Workers' Control	R. Davis	: 8p
Statutes of the Fourth International		: 10p

Please add 15% for p&p. Orders over £3 sent free.

