

# Socialist Review

NEITHER WASHINGTON NOR MOSCOW,  
BUT INTERNATIONAL SOCIALISM

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## YOUNG SOCIALISTS PROSPECTS

JOHN PHILLIPS

Like every other event in the calendar of the labour movement the Young Socialists' Annual Conference, held this Easter, cannot be discussed without reference of some sort to the struggles that have taken place over the last year. It is a mistake to assume that the YS movement is abounding with young militants fully conversant with the language of class struggle and revolutionary ideas.

Without trying to sound too much like a marxist thesis on the conflicting attitudes of peasant and proletarians one can say that the reliable left-wing force in the YS lies on the big towns—an obvious reflection of the speedier interchange of ideas and actions—and that the vast rural areas constitute the backbone of religious fervour for all things Gaitskellian. Bearing this in mind and appreciating the difficulty of getting left-wing ideas into the isolated areas, one can more easily understand why the YS hasn't made much progress over the last year.

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Although the last conference and this conference passed good resolutions both on political questions, the bomb, workers' control, and on YS organisation, YS control of *New Advance* (the official YS newspaper), political decision-making at federation level, the majorities achieved, in terms of voting figures, showed very little movement.

The least dangerous generalisation one can draw from this is that there has been quite a hardening of attitude

in both camps. Whereas last year our oft-quoted Martian observer might have imagined himself at White Hart Lane during a Cup Tie, this year the feeling and atmosphere were quite different. Subdued from the beginning, the delegates only rarely showed any enthusiasm or fighting spirit and one couldn't help thinking that the whole affair had degenerated into an ordinary Labour Party gathering.

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This can be explained by the fact that last year was the first time that YS members from all over the country met together and no one knew for certain what resolutions would be passed or who would be elected to the National Committee. This year's conference was the culmination of a number of battles at Federation and regional meetings on decisions taken last year, notably over the question of democracy in the YS, on which there has been no great change. Consequently there were very few delegates that were undecided on the main issues and hence the feeling that there was no need to whip up support for one or other point of view.

The decisions taken this year were in the main reaffirmations of last year's—unilateralism, control of *New Advance*, right of political discussion at Federation level—with a few additions. The Immigration Bill was unanimously opposed but a motion calling for compulsory health checks at ports of entry and for the right of local housing authorities to prevent

overcrowding was carried by a small majority. Opposition to the government's wage pause policy was carried with three against. After a fight with the Standing Orders Committee a resolution condemning the NEC's refusal to endorse Ernie Roberts as a parliamentary candidate was carried. Surprisingly, a resolution critical of the United Nations actions in the Congo was carried by five votes but an amendment explaining the UN role in cold war politics was heavily defeated. After a long and confused debate on the Common Market a resolution calling for Britain not to enter was carried together with a resolution calling on the labour movement to put forward the policy of a United Socialist States of Europe and cooperation with socialist movements on the continent. The witch-hunt of the paper *Keep Left* continued with a motion demanding a special private session to discuss the activities of *Keep Left* being defeated 154-155. On the recount it was carried by 168-155.

The most eagerly awaited results of the conference concerned the elections to the National Committee. Last year the right wing had a majority on the Committee and blunted many of the demands of the YS members in the branches. This year there is at least a 7-4 left-wing majority—which one can say more accurately reflects the opinions of the YS as a whole.

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This raises the biggest problem that faces the YS movement. When the NC was right-wing controlled and thus identified with Transport House and the Labour Party NEC, it was clear that the demands for YS control over the organization would not be implemented, and there was a clear division between the branches and the NC. Now the NC will be in a position to put forward the demands of the branches on issues that will raise hell in Transport House. Whether the NEC will become touchy and decide to dispense with the services of the youth movement is impossible to guess. Certainly past history is not very encouraging on this point.

Whatever the possibilities the left wing of the NC must put YS demands clearly. They must become the spearhead for YS activity over the coming year.

For this they need not only the support of the YS branches but the constituency parties as well. Unless the adult parties give support to the YS in fighting for socialist policies it is in danger of becoming a small isolated group fighting for a lost cause.

# Welfare and the Common Market

HENRY WILLIS

How do you measure whether a country has a better welfare system than Britain? when the sick, the pensioned or unemployed get larger payments than they receive here? then, easily, West Germany has a better welfare system than Britain. But one can easily see through this trick—if a British worker gets ten pounds a week, pays one pound national insurance and gets thirty bob when unemployed, and a German worker gets eight pound a week, pays three pounds a week social security, and gets two pounds a week when out of a job—larger benefit or not, the British worker is very much better off.

All that this shows is that, in practice, it is impossible to make very close comparisons of overall welfare—and, even if a close guess is wanted, it requires a look at the entire picture of national taxation, benefits, cost-of-living indices, pricing of Government or nationalised industries' products etc., so that we can see that the Government does not take more than it gives. That sort of a look can't be made here.

Between 1945-50, British welfare services probably entailed more cash flowing from top to bottom of society than in any of the present Common Market countries. Since then the balance in Britain has been tilted so far the other way that probably the British working-class pays for more than it gets back. The same is certainly true in the Common Market countries. In the fifties, German wages were considerably below British (77 versus 100, 1954), of which a larger proportion went on compulsory welfare payments like national insurance (11.7% of pay in Germany, 2.7% in Britain)—and benefits were correspondingly higher. Overall, about 18½% of the German national income went to welfare, 12½% of the British. However, by the sixties, the cost of labour to German employers had climbed to a level roughly the same as the British—but the contribution to welfare remained proportionally higher (1/8d per hour per worker in Germany, 0.8d in Britain).

The result of all this is that the West German worker pays very much more than the British, and gets very much more back in benefits. In addition, the German pensions and dole schemes are a percentage of wages (not a flat rate) so they rise with wages and are not destroyed by in-

flation as they are in Britain. It should be noted that it all depends on what years you take the figures for as to how rosy one side or the other seems.

Overall, 14% of the total German cost of labour goes to social services 3% of the British. The German economic aim was to concentrate on production and expansion and ignore social inequality—so they ran one of the highest unemployment rates in Europe for a long time. The growth of production has ensured, ironically, that a straight insurance scheme (as opposed to the British, which was supposed to take from the rich and give to the poor) advanced far faster than in Britain. Ludwig Erhard, West German Minister of Economics, sums up: "how much more sensible it is to concentrate all available energies on

increasing the nation's wealth rather than to squabble over the distribution of wealth, and thus be sidetracked from the fruitful path of increasing the national income".

On housing, the European record overall has been better than the British—since the War, Britain has spent a lower proportion on housing than all but three of the fifteen European countries. West Germany built nearly twice as many, and France just slightly less, than Britain. So far as the Common Market countries are concerned, the West German pattern has been repeated with unimportant variations. What it really means is that the British have a welfare system much the same as Europe, but with lower charges on the workers and

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## CARRON'S CAPERS

KARL DUNBAR

The industrial scene has been dominated by the ballot of some 3 million engineering and ship-building workers, to determine whether strike action will be taken over the rejected, 12 month old, wages and hours claim.

A little bit of history must be taken in conjunction with this ballot. In 1957 there was a national engineering and ship-building stoppage after the same employers federation rejected the wages claim. As an 'official' stoppage, it was called by the Executives of the Unions, (in line with the Confederation decision) and after 3 days it was 'called off' by the defection of master Carron.

Point number one, the AEU, of which Carron is the General Secretary, is the largest 'affiliated' member to the Confed., therefore it naturally follows that once the AEU pull out of the struggle so will the rest, through a generally weakened position.

Point two, the strike was 'official' and rested on the sanction, or otherwise, of the individual executives, using their powers obtained through rule books.

That power still remains, but on this occasion has not been exercised. Why?

Can the answer not be found in the TUC's betrothal to the Tories on the National Economic Development Council?

Who sits on this body, none other than our old pal Carron for one.

The whole working-class movement is compromised by this betrayal. NEDC stands as an important adjunct to the Common Market struggles that lie ahead. Capital needs the 'co-operation' of the working-class in what will be a titanic struggle for markets. The only way to buy that co-operation, so far as capital is concerned, is to attempt to openly ally the workers movement with the economic system. This alliance heralds the resurrection of 'productivity committees', those bodies so beloved of the Communist Party during the 'good' war; and of wage restraint, already forecast by Selwyn and remarked upon by not a single member of the TU side of NEDC. The employers will launch a full-scale campaign to herald their ideas in the era of mass collaboration to 'safe-guard' the National economic survival, by methods such as the speed-up, general piece-work cuts, (which took place wholesale immediately after 1945) attacks on the Nationalised industries, again in the wind with the proposals to dismantle the Railway workshops, hand back Steel in the form of Richard Thomas Baldwin, to private enterprise and so on.

NEDDY is going to prove to be a hard master. There appears to be only those 'for' and those 'against' up to now, but all too soon there will be

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# Radcliffe and 'Big Brother'

P. MANSELL

The Radcliffe report is the latest in a series of attempts to tighten up security arrangements in the Government service. The cycle of events is now well-established. First, a dramatic breach of security—Burgess and Maclean depart for Russia or a Russian “spy-ring” is uncovered—then criticism in the press and elsewhere that the counter-espionage agencies have fallen down on the job—then the device of appointing an “independent” committee to tell the Government what it ought to do—finally new and more stringent regulations about vetting people engaged on secret work. Then a pause until the next “leak”.

But there are one or two special points made in the Radcliffe report which deserve comment. One is the emphasis on the alleged degree of Communist infiltration into the Civil Service unions and the recommendation that Government departments should be allowed to refuse to negotiate about posts involving secret

work with any official suspected of being a member or sympathiser with the Communist Party. Another is the suggestion—reminiscent of Big Brother’s all-seeing eye in “1984”—that officials of Government departments doing secret work who have a room to themselves should be overlooked through a little hole in the wall. Elsewhere the report refers with approval to the fact that Foreign Service officials are close friends outside office hours and so any unconventional and therefore, by definition, suspicious behaviour can quickly be spotted. It is suggested that the Home Civil Service might follow this example. Thus the Government would not be content with eight or so hours a day from its servants. It would establish a claim to oversee leisure hours as well. It

is easy to see how the pressure to conformism—already so strong in our kind of society—would become overwhelming.

All these measures are hateful to anyone who cares for freedom of speech and thought and the threat to the right of trade unionists to be represented by officials of their own choice strikes at one of the fundamental bases of trade unionism.

The Government’s justification is that these steps however repugnant, are required by the national interest. The security of the country is paramount. They do not disclose the very sections of the Radcliffe report which deal with this, because to do so would be a breach of security. But to those who know that in a nuclear age there can be no effective defence for any country, talk of “security” is meaningless. And those who urge that Britain should give up her nuclear weapons and get out of NATO cannot be expected to lose a night’s sleep at the thought that the Russians may have some secret information about our methods of attack.

But even if there were such a thing as real security, it would be necessary for the working-class to resist the claim of any capitalist government to deny freedom to any section of the workers on the specious grounds of national interest. The capitalist class has always sought to identify its interest with that of the nation—as though there were a single national interest to be served, and not the conflicting interests of the classes that compose it. This myth has to be constantly exposed, and all the more vigorously when it is used to disguise an attack on workers’ organisations.

There is unfortunately little sign that the Civil Service unions will organise a militant opposition to Radcliffe, since they seem prepared to accept the idea that “national security” has over-riding priority. But the effect of the report would extend far beyond the confines of the Civil Service, since under modern conditions vast sectors of the national economy are drawn into war preparations. Numbers of industrial workers in private enterprises as well as in Government establishments are affected by this creeping McCarthysim. They must awake to the danger and resist it, with the support of the trade union movement as a whole.

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forced upon the working-class movement of Europe not those for or against, but only the Internationalists.

Carron is playing a peculiar game with the membership at the moment, even more peculiar than his normal one.

Strikes, as we all know, are either ‘official’ or ‘unofficial’, but have you ever heard of the ‘unofficial official strike’. Well Bill Carron has invented it.

The most useful example of this was the Smiths’ (Chrono Works) dispute, in which the AEU members were faced with a management ultimatum to accept a new bonus system or, in the words of the shop-floor management, ‘are you going to do it, if not get out’.

The members thereupon ‘got out’, their position being immediately that of locked-out workers and this is the way the dispute remained, a lock-out.

Now came the twist. Carron informs the members that, although there will be no official statement etc., the dispute is official.

Fair enough for the lads outside, they want to win the dispute not worry about protocol. But after the dispute ended, with a victory for the membership, Executive Council refused to pay dispute benefit. The question is being raised through the branches and may well end up in the AEU’s Final Appeals Court.

Our third example takes us into the realms of H G Wells, man controlled by machines, in this case computers. AEU branches recently received a circular from head office which both startled and dismayed the membership. We are instructed that, from the date of the next branch meeting, further recruitment of members was to cease if the branch membership was 500 or more. A period of two years was given as grace to reduce the membership below the 500 mark.

Enter the computer.

Because these fabulous machines can only register up to 500 the centre organization of the AEU collapses in wonderment and awe. Well not the entire organization, only the top ‘brains’—uncle Carron and all.

But wait; there are complications.

The Daily Telegraph reporter dug up a juicy scare story from an interview with a mysterious “AEU official in Sheffield”. I quote: “The creation of new branches could have a tremendous effect on the balance of power in a number of areas. In Sheffield ten new branches are to be formed”. The Communists, we are told, will fight to get power in these new branches, with five district committee delegates. This is possibly true; but, also a thought worth considering, maybe Carron thought about “the balance of power” too.

# THE SLEEPWALKING SOCIETY :

BRITAIN IN THE SIXTIES

ALASDAIR MACINTYRE

Begin with a simple question. Aldermaston 1962 was the biggest CND demonstration so far; probably more individuals are now committed to unilateralism than ever before. Yet it made a far smaller impact on people at large than previous demonstrations. Why? The first and easy answer is the press and the television. But why can the press so safely treat CND with such contempt? The answer is that their readers are conditioned to a view of the world in which all major hopes and fears are presented within the context of the status quo. The Russians are testing H-bombs—fall-out is a danger and a scandal. The Americans are testing H-bombs—a little fall-out does nobody any harm. And in any case “Vicar elopes with fertiliser manufacturer’s mistress” is so much more newsworthy. But isn’t it the press then that conditions people into not thinking CND important anyway? Certainly this is partly so. But what of the press do people read? The only papers from which one can hope to get a serious amount of reliable and important information are the *Times*, the *Guardian* and the *Telegraph*. Of these, the last has a circulation of a million and a quarter, and the first two have a circulation of just over half a million between them. The *Mirror* and the *Sketch* between them have a circulation of five and half million. In his new book on *Communications* (Penguins, 3/6), Raymond Williams has analysed the content of the press so that the difference between the news that the middle-class reader gets and the “news” for mass-consumption stands out. On a day when the *Times* main headline was “Emergency Action to Restore Economy”, the *Mirror*’s was “Burried Alive!” When the *Guardian* reported “Missile Tracker in Orbit” the *Sketch* announced “1-ton Whale Amok at Kew”.

What is also notable is that those papers with the least chance of economic survival are precisely those which try to be both popular and informative, the *Herald* and the *Mail*. What and who decides which papers survive? The answer, so far as the mass circulation papers are concerned, is—the advertisers. In other words the need to sell of private industry overrides any chance of intelligent

mass political education. But, it will be said, advertisers and the press alike give people what they want. Even advertisers themselves don’t always say this. As one top American executive put it: “Our job is not to give people what they want; it is to make people want what we are about to give them”. And this brings out the next point. People are not merely conditioned by the press; they come to what they read out of a whole way of life which conditions them to expect to get what they do get.

You have to be literate to read a paper. Where do people learn to read? In Junior Schools, where many of them are from the age of seven streamed; in schools where division into Grammar and Secondary Modern overshadowed the division between State and Public Schools. Nearly 80 per cent of our children go to Secondary Modern Schools. Of these in *Education For Tomorrow* (Penguins, 2/6) John Vaizey writes that “it is virtually impossible to find any middle-class child in them”. At the other end of the scale the expensive Public Schools have long waiting-lists for the children of the new affluent managerial class. (Many corporations pay school fees for their top executives). So out of the schools come a small group trained to believe that large affairs such as the H-bomb are both beyond their understanding and outside their power.

Who were their teachers? Why is there a flow of money through advertising to the papers that rely on continuing to possess an uneducated public and no flow of money to pay teachers decently and train them properly. We cannot answer this without understanding the economic shape of our society. The largest and most powerful sector of our economy—the private sector—is a market economy. Where there is a profit, there flows investment. If there is profit in oil, investment flows to oil. If there is no profit in ship-building, investment flows out of ship-building. The law of a market economy is: good does better, bad does worse. The great lesson learnt by modern capitalism is that the private sector cannot survive alone. It needs not only the coordination and regulation that government agencies can supply; it needs also a

public sector where those necessary services for private industry which are unprofitable in themselves (in Britain coal and rail transport, for example) and which therefore would not attract capital in the open market, can be financed. But private industry also needs a public sector to educate its labour force. At the same time, it is involved in a contradiction in its attitude to the public sector. For it must be taxed and restricted to some extent to finance the public sector; but it cannot accept taxation and restriction if it is to expand effectively in its own way. So we get a set of priorities in the economy where private investment comes a clear first (plenty of money therefore for advertising in the mass consumption newspapers) investment in nationalised industries a bad second, and expenditure on such services as health and education a very poor third indeed.

There are two political lessons to be drawn from this analysis. The first is very short and simple. It is that these attitudes to health and education are built into the whole shape of our economy. You cannot hope to preserve that shape intact and change the attitudes to health and education. But just this is what the Labour leadership hopes to do. Gaitskell should on this point at least learn a lesson from Kennedy who was elected with a similar hope. But not a single piece of Kennedy’s domestic legislation on these matters has escaped mutilation or rejection by Congress. The second lesson is that the key power in our society is the power to make investment decisions. Who exercises this power in our society? Who decides, that is, what work people will do and hence what wages they will get and what sort of lives they will lead? The answer is that a large class of top managers and executives whose influence extends from the Treasury to ICI, from the National Coal Board to the Insurance Companies, now made these decisions. Socially they are a class with a remarkable unity. Their children go to the same sort of schools, they lead the same type of life, they pass easily from the Civil Service to private industry. They are not elected, they have no public responsibility, they are mostly complet-

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ely unknown to the people whose lives they shape. They are, compared with the old capitalist class, extremely well-informed and extremely able. More than this, they have an extremely docile working-class to deal with. Why?

The answer is that the working-class has been effectively divided into the oppressed but helpless and the strong but bribed. Workers who cannot defend themselves are simply oppressed. These include the old, the disabled, the sick, and unorganised, unskilled labour. Peter Townsend has calculated that in Britain in 1960 about six million people were living at or below subsistence level. (*The Meaning of Poverty*, The New Statesman, 20. 4. 61). And these are not all by any means ill or unemployed for "nearly half are persons living in households chiefly dependent on a small wage. Most of these households consist of a married couple with three, four or more children. They are the helpless and unresisting members of the working-class.

The working-class who have the power are those whose labour and skills are vital to the economy. The techniques with them are twofold. First there is the use of the carrots of high wages and mass consumption. Here we are back again at the advertisers, whose task is to stimulate mass consumption. For the wages that are paid out by the system to skilled labour have their function as consumer power in mopping up the surplus productivity of the system. The old Marxist view that capitalism could never provide consumer power sufficient to use up all that was produced is made completely obsolescent in a capitalism of continually expanding investment and continually expanding consumption. The second technique is to institutionalise this part that the working class plays in the system by coming to terms with the trade unions: the aim is to get the workers to accept planned, limited wage increases, geared to the expansion of capitalism itself.

But more important than either of these techniques is the creation by the education of the working-class in class-stratified schools, by the mass media of press and television, by their conditions of work, of an attitude of apathy and acceptance towards the political status quo. And this means that no isolated political question can hope to impinge greatly on working class consciousness. Not even that of the Bomb. So we come back full circle

## BUDGET TRICKS

MICHAEL KIDRON

So much of Government's expenditure is earmarked years in advance that the budget can't effect major changes, economically speaking, from year to year. Of the total outlay last year, just under one-quarter went on an inflexible arms budget, another eight on interest charges (mainly payment for past wars), another sixth or more on long loans to nationalized industries, private firms and so on, and under one-half on all the rest of civil administration. Even here there is little room to manoeuvre: civil service pay, provision for education, national assistance, national health, roads and the rest are pretty well inflexible and determine very closely what the Government is going to take in taxes.

In other words, there is little interest in the budgetary 'what'. The totals are well known in advance. What might be interesting is the 'who'. Who is made to cough up when the Chancellor stretches out his hand 'ready to receive' like the judge in the Caucasian Chalk Circle? Even here the budget usually holds few surprises. The Tories don't need the long Thursday afternoon rigmarole to shift the load from their class to ours: the Rent Act which transferred £100 million per year from tenants to landlords was not a budgetary measure, nor was the pay pause, nor the increase in Bank Rate nor any of the other steps which squeezed part of the pay packet into the pig-skin wallet. Not that the budget is neutral: reducing purchase tax on luxuries and raising it on furniture as in the last one is not a random choice. Still, it's to be expected from the Tories...

What is highly interesting though, is the use of budget day as a pivot in Tory election strategy. Two things are important here. Tory success at the polls is entirely dependent on their

to Aldermaston '62, and the answer to our question of why demonstrations can make so little impact is that they are running counter to our whole way of life and not simply to official policy about the Bomb. The columns of the *Mirror* and of the *Sketch* and the classrooms of the secondary modern school are the first lines of defence of the men whose power is the power of the H-bomb.

being able to suffuse a 'we're all middle class now, and prospering' fog amongst workers. Since next year is election year and the stock market has recently been the scene of rich and publicized killings, the Chancellor thought it *politic* to reinforce the 'equality of treatment' strand in Tory policy. Hence his 'capital gains tax' which, as the *Economist* points out 'is an optional tax, easily and legally avoided, and for some easily and illegally evaded'.

But who cares? The Tories aren't interested in the money, but in purveying a feeling of equity; not in taxing their class, but in letting ours know that we're not the only ones to be docked. The Chancellor explained his case lucidly:

*While the main function of any system of taxation must be to bring in revenue, it must also be designed to produce a feeling of broad equity of treatment between taxpayers. At present, it is pretty widely felt to be inequitable that those who supplement their incomes by speculative gains should escape tax on those gains. I do not think that they should continue to do so; and I tell the Committee frankly that it is on this account, and not mainly for the yield, that I put forward this proposal.*

The second electioneering aspect of Lloyd's budget lies in its drabness. Little was given, little taken away this time. But next time, April 1963, what an orgy of tax concessions there'll be! The promised abolition of Schedule A (a tax on mainly middle-class owner-occupiers) and the raising of the surtax floor will conjoin bountifully to save the middle class from Liberalism. A possible penny off beer will, it is hoped, send workers reeling to the polls holding Tory tickets. And the normal Tory barn dance will be stomped through: April budget (expansive)—Spring election (Tory victory)—Autumn budget (cruel and deflationary).

The Tories have served notice of their intentions. What the Labour leadership is doing about it is a mystery. Not the faintest 'peep' to contradict the 'one class, one nation' humbug; and not the shadow of a policy to fight the next election on—or are they waiting for the Liberals to helm them to their seats?

# KENNEDY'S BIG STICK

SERGIO JUNCO

The recent Steel dispute in the USA has shown, among other things, that one has to be careful not to be very formal or mechanistic when analyzing the role of the State in present-day Capitalism. The recent crisis has also shown the truth of the assertion that Capitalist ideology is deeply mythical and that its social organization constitutes a real limitation to the increasing rationalization and development of the productive forces of modern society.

The recent Steel dispute has to be studied in the context of the Kennedy Administration's economic policies. At the end of 1961, Secretary of Labour Arthur Goldberg, while addressing the A.F.L.-C.I.O. (American Federation of Labour-Congress of Industrial Organizations) National Convention in a Florida luxury hotel made a call to the American trade unions to exercise "restraint" in their wage demands and to relate the latter to "increases in productivity". These words will sound familiar to those of us who know of Selwyn Lloyd. More recently, in a speech before the "Executive Club" in Chicago, Mr. Goldberg was more explicit and formulated the theory that the Administration will try, in all negotiations, to assert the "National Interest" and to that effect it will put pressure on "both sides" to come to agreements which will safeguard such sacred interests. It is hardly necessary to add that in defining the "National Interest" Mr. Goldberg does not intend to revise sacred "free enterprise" assumptions about the distribution of profits and burdens among the various classes of the population. It was not surprising that both Mr. Meany of the AFL-CIO as well as leading business figures rejected Mr. Goldberg's proposal and true to their ideology asserted that it was none of the Administration's business to interfere with "free" collective bargaining, etc.

It was within the above mentioned economic and political context that a modest settlement, induced by the Kennedy Administration, was reached between the officials of the Steel Workers of America and the big steel companies on the implicit assumption that prices would remain the same; at this stage, the steel companies came up with their surprising rise of prices. As some commentators have put it in the most fashionable Cold War language, this was a "test of strength" which, as we know, was eventually won by the Administration in Washington. During the three-day "battle", *The Wall Street Journal* fully supported the steel companies and it announced that 2/3 of the American business community also shared the steel companies' point of view. *The New York Times* with its usual clear perception of the long-range interests of the system as a whole supported Kennedy. *The Times* of London did the same, and shrewdly noticed in one of its editorials that the action of the steel companies could strengthen the case of the more militant American workers as opposed to the "moderate" tactics of the American trade-union bureaucracy. *The New York Times* being very much aware of the possible consequences of the dispute published an article by the industrialist and politician Clarence Randall advising American businessmen to maintain a high level of "business ethic" in all their dealings within as well as without the USA.

If there is one thing to be gained from this incident it is the fact that the mythology of "free enterprise", which is stronger in the USA than anywhere else in the world, has suffered a serious blow. The nature of price-fixing, lack of competition and tremendous concentration of private power have been revealed as seldom before to the American people. No wonder *The New York Times* tried so hard to show in one of its editorials that the eventual abolition of the price rise was actually due to "competitive developments" following Inland Steel's maintenance of the previous prices (thus saving the "free enterprise" principle). Of course, the *New Yorks Times'* editorial does not make clear the extremely important point that Inland Steel gave in after Kennedy had turned on the political heat on the steel companies, which is hardly a part of the "free enterprise" game. Incidentally, it should also be noted that although Kennedy's general remarks during the press conference were rather militant, he was quite vague when asked such

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# P B R

ROGER COX

The problems raised by the spread of Payment by Result systems are particularly urgent today. The Common Market challenge is likely to make it more so since this method of payment will spread further under the impulse of new productive mechanisms.

PBR systems vary from the "straight" system, in which wages are directly related to the number of pieces produced, to the bonus system, in which a bonus is paid in addition to a basic weekly or monthly wage. These systems may cover groups of workers or whole factories or individual workers, their scope being determined by a complex of factors including the size of the factory, type of production method and the strength of the workers' organizations.

It was the second world war which accelerated the spread of PBR. This tendency continued after the war; in 1956, 32 per cent of the workers in manufacturing industries were paid through PBR and in engineering and electrical manufacture the percentage was 50-58.

Automation, which not only binds workers more directly to the production line, but also equates methods of production between industries, will facilitate the extension of PBR to industries formally unable to use it.

PBR is therefore a challenge to the labour movement. How does it affect worker's lives, their working conditions, wages and health?

Wherever PBR has been introduced the rate of increase in production has been greater than the rate of increase in wages paid. PBR is good business—for the bosses. It is often introduced to take fuller advantage of new machinery: "Many employers... told us that they introduced incentives for the very reason that they wished their

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● PBR.

other changes, such as new equipment... to be effective and pay for their installation costs" (J P Davison and others, *Productivity and Economic Incentives*, p 33). With constant re-tooling PBR helps the employers to keep wage costs down. It is, in other words, a means of increasing the exploitation of labour (for examples, see *ibid.*, chap. 2).

Reactions of the workers to PBR are various; they are a reflection of their experiences as individuals and as members of groups. Some accept it completely and work for the maximum wage possible; others are interested only in maintaining a certain wage level; yet others say simply: "if I feel like working the extra, I will. If not, I won't." However, union shop organization and fear of price-cutting usually result in the workers collectively setting a limit to the output for the shop or group.

This latter point is extremely important. The extent to which the worker allows himself to be exploited or to be influenced in any way by the

employer depends on his workshop relations with his fellow workers. Where shop organization is militant the worker attaches more importance to the security he obtains through the local trade union organisation than he does to the concessions won at the national level by the remote national leadership.

What are the physical effects of PBR? At times the structure of incentive schemes become totally unrelated to the productive process. Under these conditions two alternatives are open to the workers. Firstly, to force management to increase the productive capacity or to pay more for increased output. This was done at BLSP. Management was pressed to use more realistic production targets and to employ more people. Secondly, the worker may interfere with the process. It is not uncommon to find workers removing protective guards from machines in order to increase their productive capacity, or refusing to have cut hands treated because of the time "waste" involved. "So the drive of an incentive scheme can lead to anything from minor cuts and aches

and pains through the entire gamut of medical complaints to death itself" ("Pleb", *Trade Union Affairs*, Winter 1961, p 56)

It can be seen, then, that incentive schemes are not only a means of intensifying the exploitation of labour, but also a danger to the health and possibly to the solidarity of the workers. The challenge to the labour movement is clear. Will it respond? Is the labour movement to be the servant or the master of the employers and the machine?

● KENNEDY, *from page 6*

concrete questions as whether he was contemplating the eventual establishment of some kind of price control.

American Labour has quite a bit to lose with the strengthening of Kennedy's position. He has already announced that he will show "equal energy" towards Labour with the result that when the Big Stick will be brandished against the latter, the stick will have two big nails on it: the Taft-Hartley Law of 1947 and the Landrum-Griffin-Kennedy Law of 1959, both of which are tremendous pieces of anti-Labour legislation *already* in the books and immensely more effective than the anti-monopoly Sherman Act, which is about the only Law which can be used as a threat to Big Business. If there had been a political Labour movement in the USA this recent Steel dispute could have been converted into a tremendous victory for American Labour. A victory against the steel companies achieved through industrial and political action of the workers themselves would have, among other things, avoided any political blackmail forthcoming from the White House, which has now acquired tremendous strength as a result of its victory. But the fact is that the American Labour Movement has a very low level of political consciousness, and is therefore unable to get the utmost out of such incidents. Henceforward, it is going to be faced with a rough time at the bargaining table, particularly if we take into account the fact that only 38% of the American labour force is unionized. One can still hope that given the nature of events, American Labour will be compelled to take a strong political stand when it realizes the limits of pure collective bargaining especially when the State has decided to start defining the "national interest". It will soon become obvious that there will have to be conflict to decide whose definition of the "National Interest" is the valid one, and this cannot be achieved by pure collective bargaining, but has to be fought very hard on the industrial and political arenas.

Perhaps the main conclusion to be derived from all this is that the most important political enemy at the present moment is the basically pro status-quo policies of the Kennedy Administration, both nationally and internationally, and not the "Ultra-Right" fringe, as so many well-meaning Americans tend to think.

IS  
**RUSSIA**  
A SOCIALIST ECONOMY?

NCLC DEBATE

For: Monty Johnstone

(comm.)

Against: Tony Cliff

MAY 26th

3 p.m.

ACTT Headquarters

2 Soho Sq. W.1.

● WELFARE *from page two*

lower benefits—the Old Age Pensioners bear the brunt of the last. One thing the Common Market has not got to the same degree is a National Health Service. But the way the Tories are shaping what's left of welfare, even this consolation is rapidly disappearing. The impact of joining the Common Market will probably not have a great effect—if standardisation is introduced, at least our Old Age Pensioners will get more.

## IN THE RED

Those socialists who are inclined to believe that state intervention and planning are part of the road to socialism would do well to learn something about the origins of Japanese capitalism. Before the West opened up Japan in the 1860's the ruling class were a military, landowning aristocracy who did not participate in commerce. There was an important wealthy merchant class whose economic strength was considerable, but who had no political power. In 1868 a new regime was established, led by a group of younger aristocrats, who quite deliberately turned Japan into a capitalist state, not by giving freedom to private enterprise, but by government intervention. Very few of the old merchant families kept their economic position; the new industries were all either founded or subsidised or developed by the state itself. Capital for government enterprise was raised by taxing the land. As in all industrial revolutions the country was made to support the towns. By the end of the nineteenth century a few large-scale private financial concerns had taken over from the government the ownership and management of part of industry. But close links between them and the state apparatus preserved the corporate character of Japanese capitalism, which furnishes therefore a useful refutation of those who suppose that capitalism is essentially connected with private enterprise or that nationalisation is essentially anti-capitalist.

The latest number of *New Politics* has four interesting articles on the present-day Left in Japan. It is a pity that they say so little about the economic and social structure of Japan that one cannot hope to assess the importance of the Left in terms of that structure. So many British socialists after reading of the students riots against the pro-American policies of the Japanese government were astonished to read of that government's success in the elections. This perhaps will help to point the moral that it's no use knowing the strength of the Left unless you know the strength of what the Left is against.

One of the great abilities of the present Conservative government is propaganda, and their favourite propaganda technique is a simple reversal of truth. So the Mr. Butler who hanged the mentally defective Hanratty is "a great reforming Home Secretary". Likewise Mr. Enoch Powell, the Minister of Health, presented as an

honest and humane man. Mr. Powell has presented plans for Britain's hospitals which include a reduction in the number of beds occupied by mental health patients from 152,000 in 1960 to 92,000 or less in 1975. Where are the mentally ill going? They are going home to be cared for in their homes and in special hostels by out-patient clinics as special day hospitals. What's wrong with that? Only that there appear to be no adequate plans to provide the care that they will in fact need. The only plan that is certain is the one for shutting down on hospital accommodation and so saving money. Is the Hospital Plan which the Minister put out honest, when it never mentions this fact. Is it humane?

★

British businessmen in Haiti were recently blackmailed by threats of violence into contributing to President Duralier's "building fund." Now the British Ambassador, who exposed this market, has been sent home. Those who read about this episode in the newspapers may have read also that the US fears Cuban influence in Haiti.

They have reason to fear it, for Haiti is the negro republic which carried through the first colonial revolution of all. As the island of San Domingo, it had a huge slave population who rose against the French in 1791 and carried through the principles of the French Revolution for themselves. They defeated the Spanish, the British and Napoleon's brother-in-law. Their leader of genius, Toussaint Louverture, was addressed by the still revolutionary Wordsworth in a sonnet. Later on, exploitation was restored and to-day peasants of the interior live in appalling poverty under a brutal and American-supported dictatorship.

There is a Marxist classic on the Haitian revolution, but a little known one. It is *Black Jacobins* by C. L. R. James. James himself a West Indian, was a leader of the Left Opposition to Stalinism in the Communist movement. He wrote on subjects as diverse as world revolution and Harman Melville. James was a tough Marxist intellectual, probably more able than anyone else in the Left Opposition, except Trotsky, with whom he occasionally crossed swords. In the late 'thirties he came to accept the view that the Soviet Union has a state capitalist economy. His works are now almost unobtainable. He badly needs new editions of them.

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## WHAT WE STAND FOR

*War is the inevitable outcome of the division of society into classes. Only the working class, controlling and owning the means of production, distribution and exchange in a planned economy, can guarantee the world against war and the annihilation of large sections of humanity. Planning under workers' control demands the nationalisation without compensation of heavy industry, the banks, insurance and the land. International collaboration between socialist states must replace aggressive competition between capitalist states.*

*The working class will reach the consciousness necessary to change society only by building upon the experience in struggle of the existing mass organizations and organizing around a revolutionary socialist program, independent of Washington and Moscow, based on:*

*The unilateral renunciation of the H-Bomb and all weapons of mass destruction*

*The withdrawal of all British troops from overseas*

*The establishment of workers' control.*

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