

SOCIALIST REVIEW

NEITHER WASHINGTON NOR MOSCOW, BUT INTERNATIONAL SOCIALISM

VOL. 6 No. 5

FEBRUARY, 1957

SIXPENCE

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Forum on workers' control and
nationalised industries

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HOW TO DIG OUT THE TORIES - - By Owen Roberts

WITH HAROLD MACMILLAN firmly installed in Downing Street at the head of a Tory Government apparently determined to remain in office as long as possible, the big question before Britain is: How will the Labour Party react? Will it be content to conduct a limited campaign of sniping at the Tories in Parliament; or will it strike out on a bold course designed to turn the Tories out and capture power for Labour on the basis of firm Socialist measures?

These questions are on the lips of Labour Party members and supporters throughout the country. The answers are not clear. They depend on a variety of factors—and not least upon the way in which the Labour Movement reacts to the economic consequence of Toryism.

Employment is a big factor. Last month the Ministry of Labour announced that when it took a count in the middle of December there were 297,000 workers out of a job. This was 32,000 more than in November and 65,000 more than a year previously. In addition, the number of workers on short-time had increased and the number on overtime had decreased.

But, even more important is the number of people out of work relative to the number of jobs waiting to be filled. At mid-December there were 279,000 unfilled vacancies notified to labour exchanges. This was 103,000 less than a year earlier and meant that there were 18,000 more out of work than there were jobs available.

This situation marks, in the words of *The Economist*, the end of "brimfull employment," and will have very important consequences for workers and trade unions.

One of the consequences, already apparent, is that the number of married women, who go out to work to supplement their husband's pay, will fall as they lose their jobs and then, finding it difficult to get others, give up the idea of going out to work.

In the 12 months between November, 1955, and November, 1956, the number of people in civil employment fell by 84,000; but the number of people unemployed rose by only 56,000. Therefore, a number of people left the labour force altogether—and a fair proportion of these were married women.

As the number of married women going out to work falls, the need for their husbands to seek wage increases will grow, and this will add to the desire for wage increases due to higher prices.

Standards fall

Since the new index of retail prices was introduced just over 12 months ago, it has risen by 3 per cent. This, as most working-class housewives will realise, is a very low estimate. For, as Jim Campbell—general secretary of the National Union of Railwaymen, said recently: "To say it reflects the cost of living is utter nonsense."

But, however slow the index is to follow the real movement of prices, it will certainly move upwards in coming months when price increases due to the war in Egypt appear in the shops. It will receive a further boost when the new Rents Bill pushes up rents of some five million tenants of private landlords.

Faced with this situation the workers will respond by demanding trade union action for higher wages—and it is at this point that they will come face to face with the employment position.

Since the war the advantage in wage negotiations has been with the workers—because employers were faced with the position where there were not enough men to fill vacant jobs. If employers did not pay at least a substantial part of the increase demanded, there was always the danger that the men concerned would move to another job.

Now, however, there is labour enough to go round—and even some to spare. Employers are, therefore, in a

stronger position to resist wage claims and to dispense with the extra "tit-bits," such as a little over the minimum rates and extra bonuses, at one time necessary in order to attract workers.

Bosses Tougher

Employers will also tend to stick out firmer against wage claims because of the effects which the credit squeeze is having upon profits. This does not mean that capitalists are starving, it means that last year the percentage increase in profits was slightly lower than in the previous year.

Mr. Anthony Tuke, chairman of Barclays Bank, recently put the matter quite clearly, when he said: "A reduction in profit margins had already begun to manifest itself in industry before this crisis arose, and this was already tending to reduce the inflationary pressure and the excessive competition for labour in certain areas."

Mr. Tuke was really saying that employers are not now so eager to out-bid one another for workers, and that wage increases would be harder to come by. This, coupled with the end of "brimfull employment," spells a tougher time ahead on the industrial field in coming months. In particular, workers at the bottom end of the wages scale, such as municipal employees, bus workers and railwaymen, will find it extremely difficult to wring any extra wages out of their employers, because it will be possible for gaps in their ranks—due to low wages—to be filled from among men who are out of work.

No slump, but . . .

There is no reason for believing, at this juncture, that a major industrial crisis and large-scale unemployment is on the way. But the aggravation will be sufficient to set the scene for major

[continued on next page]

The Tory Rent Bill

By Tom Herbert

Tory unemployment has questioned our right to work. The Tory Rents Bill is questioning our right to a home. The struggle to assert our rights is as much the struggle for socialism as anything else. Through these struggles we formulate more and more clearly the demands of a socialist programme, through them we bring more and more people into the active Labour Movement, united in opposing the Tories and in demanding that Labour adopt these four planks in its Housing platform:

*Municipalize privately-rented dwelling without raising rents ;
Nationalize the land ;
Nationalize the archaic and anarchic building industry ;
Provide interest-free loans to local authorities for house-building.*

The following article from a correspondent shows the importance of the fourth plank in this platform. We hope that readers will deal with the others—of equal importance—in future contributions—EDITOR.

The Tory Government's new Rents Bill was introduced to help the landlords—well known for their adherence to Toryism. But in trying to help the landlords the Tories have stirred up trouble for themselves amongst another section of their supporters—middle class tenants of private landlords.

Sticking like a bone in the gullet of many middle class tenants is the clause in the Rents Bill which removes rent control from all those privately rented houses and flats with a rateable value of £40 or more in London and £30 elsewhere. This means that, as soon as the Bill becomes law, landlords of such properties can put rents at sky-high limits; and it also means that they can turn the tenants out when they feel like it.

Most of the houses and flats falling

into this category are occupied by members of the middle class—small businessmen, professional workers and the like. And they are now beginning to understand, to their horror, that the Tory Government which so successfully wooed them during the general election is now going to toss them to the wolves—the landlords. To make matters worse, most of the landlords concerned are wealthy estate companies—so the Government has not even got the excuse that its measures are designed to help the hard pressed small landlord keep his property in good repair.

The middle class tenants, particularly in London, are now busy organising themselves against this latest Tory attack on their living standards. Their

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Come along to the NCLC discussion forum held on the first Sunday of every month at the Labour Party rooms, 88 Park Road, N.W.1 at 7 p.m.

The Forum is open to all Socialists of whatever shade of opinion - even to those with but the faintest shadow of one.

This month Sid Bidwell, NCLC (North London) Organizer and prospective Parliamentary candidate for East Herts will launch the Forum by speaking on the Tory Rents Bill.

Roll up and hear all sorts of opinion on all sorts of subjects on the first Sunday of every month.

OUT WITH THE TORIES

—continued

industrial conflicts in the particular sections of industry most effected. This will lead to a sort of "chain reaction" throughout the trade union movement and one which will lead it to a much more militant attitude. This, in turn, will find expression to a certain degree in a political fashion, as trade unions realise that the root cause of their present troubles is the economic policy of the Tory Government.

LEFTWARD PRESSURES

Trade unions, reacting to the current situation by becoming more militant and moving in a leftward direction, will put pressure on the Labour Party to do likewise. **And this will be magnified** because of other circumstances which are already tending to push the Labour Party leftwards.

Since the Labour Party campaign against the Tory war in Egypt, the mood of the Party generally has been in favour of the left. This is due, in no small part to the role played by left-wing rank and file opinion in diverting Labour policy from the course apparently mapped out for it by the right wing—as indicated by Hugh Gaitskell's speech in the House of Commons on August 2—and turning it into firm opposition to the war. In addition, the war itself, plus the bungling of the Government since, has caused public opinion on the whole to swing away from the Government. And in such circumstances the left of the Labour Party can—and has—generally set the pace.

C.P. BREAKAWAYS

A further factor which will tend to move the Labour Party left in coming months, is the break-aways from the Communist Party, following Russian aggression in Hungary and the "revelations" of Khrushchev at the Communist Congress in Moscow. Many who have quit the Communist Party are joining, or intend to join, the Labour Party; and their entrance into its ranks will undoubtedly strengthen the hand of the left wing—especially when a little political education has eradicated from their minds the final illusions about Russia and Stalinism.

The right wing of the Labour Party fully recognises this. The National Executive circular advising local parties not to admit ex-Communists into membership, except in special circumstances—and then only after investigation by regional bodies—is an admission by the right wing that the break-up of the Communist Party would greatly increase left-wing influence in the Labour Party.

These three factors—growing trade union militancy, the increasing role of the left since Suez, and splits in the Communist Party—all indicate that conditions are ripe for a general leftward turn by the Labour Party. However, there are other factors which will tend to push the Party to the right in the near future and which could, if not countered, cancel out the leftward pressure.

MIDDLE CLASS MURMERS

The biggest of these factors is the growing discontent of the middle class with the economic policies being pursued by the Government. For the Tory policies—while hitting the workers—have also hit the middle class.

In 1951, when the Tories first took office in post-war years, the middle class expected a better life. It believed the Tory propaganda, which said that

Socialism was crippling the middle class and that a Conservative Government would put things right. Now the middle class realises that it was sold a pup.

Of the total personal income in this country in 1951, professional people received 2 per cent., farmers 3.1, other self-employed persons 7.4, and salary earners 22.3 per cent. In 1955, professional people received 1.8 per cent., farmers 2.5 per cent., other self-farmers 2.5 per cent., and salary earners 22.2 per cent. In each case their share had dropped.

On the other hand, however, the income from rent, interest and dividends grew from 9.6 per cent. in 1951 to 10.2 in 1955. It is this fact that the middle class has had to stand the racket for a large portion of the gain by industrial and financial capital, which has given rise to middle class discontent. The credit squeeze merely added fuel to the flames.

This feeling was shown at the Tonbridge and Melton Mowbray by-elections, when the Tory vote slumped drastically because middle class voters stayed away from the poll. They would not vote against the Tory Party, but they would not vote for the Tory Government, which had deceived them and worsened their living standards.

As the full effects of Tory economic policies become apparent, and are increased because of the aftermath of Suez, discontent among the middle class will grow. Some will seek an outlet in the People's League and the Middle Class Alliance—but these will be in the minority. The vast majority will seek to voice their discontent through existing political parties—the Liberal Party and the Labour Party.

DANGEROUS COURTSHIP

The right-wing of the Labour Party will be tempted to take advantage of this situation by pulling into the Party—or behind it at election times—as many of these middle class voters as possible. And in order to do this it will revert to the slogan of "Woo the Middle Class," first expounded by Herbert Morrison in the 1950-51 period, when he was urging that Labour should consolidate the Welfare State rather than push forward with new Socialist measures.

In order to pull the maximum support from the middle class, the right wing will have to minimise the Socialist content of the Labour Party programme and to dilute the working class character of the Party itself. It will, therefore, seek to make the Labour Party a "national party," which will efficiently manage the affairs of what remains of the Welfare State in the interests of the "community" as a whole. In other words, the accent will be on liberalism rather than Socialism.

ANNUAL CONFERENCE

This desire to make the Labour Party all things to all men, will tend to push it over to the right, and thus to a large degree negate the pressures which tend to push it leftwards. The annual conference of the Labour Party—and the pre-conference discussions—will emphasise this conflict; because at this year's conference the National Executive Committee will be presenting a policy document on public ownership. This is a subject which cannot be discussed in abstract—as could some of those in policy documents presented to last year's conference. This year both right and left will have to come out in the open and state their respective cases for and against.

Public ownership has been out of favour with the right wing elements of the Party for some time and, given the fact that they will wish to make an additional appeal to the middle class this year, the role of public ownership in the Party programme will be toned down even further. Contrarywise, the left wing will be pushing hard for the inclusion of sweeping new measures of public ownership and for the socialisation of the industries already nationalised.

This great debate will crystallise the opposing currents which are now gathering strength within the Party. Which ever point of view is successful will set the pattern of the Party's role and programme for some time ahead.

In such a situation, with countervailing influences acting upon the Party, what should be done by those of the left, who wish to see the Labour Party strike out towards Socialism? There are several ways in which they must act.

TASKS OF THE LEFT

First, the left wing must give a political content to the militancy which is brewing up within the trade union movement. Workers and unions must be made to realise that industrial answers alone will not provide a permanent solution to their problems. In addition to supporting general industrial demands, the left must consistently point out to the unions that the real cause of their troubles is the Tory Government. And if they wish to solve their problems they must remove the Government and policies it pursues.

Secondly, the left wing must prepare the ground for the big debate which is on the agenda for the Party conference. Public ownership, its extent and role in the economy, nationalisation, industrial democracy, and similar related questions must be posed before the rank and file in a big educational programme, which will lead to an agitational campaign just prior to conference itself.

Last, but by no means least, the left must consistently raise within the Party the demand for a General Election now. This is important, not so much because it will have a great effect upon the date of the election, but because there are dangerous signs that elements within the Party have cold feet on the question of assuming power.

BALLOT BOX BLUES

The columnist of the *Daily Mirror*, Cassandra, gave expression to these elements when he wrote last month that it would be folly for Labour to call for an election and then, having been swept into office on the strength

of anti-Tory feeling, find itself confronted with the mess created by the present Government. A mess, which, in the opinion of Cassandra and others like him, Labour would find it difficult, if not impossible, to clear up.

Everyone recognises that were Labour to take power now it would be confronted with a mess. But the left-wing of the Party is not dismayed by this prospect, for it realises that the only way to clear it up would be to adopt a radical programme which, as well as clearing up the mess, would advance Britain towards Socialism.

This is also recognised by some right-wingers within the Party; and that is why they are whispering that Labour should not insist on a General Election now. They don't want to be in control of a Government which is forced to adopt Socialistic measures to solve its problems; at the same time they realise that to take office and apply milk-and-water policies would only lead to increasing difficulties, a fairly early election, and the installation of a Tory Government with a solid majority.

GENERAL ELECTION NOW!

By voicing the demand for a General Election now, the left wing will put right wingers, who hold such views, on the spot. They will be forced to justify their attitude by admitting that they do not want to push forward with a programme of drastic social change and that they realise that a policy of liberal reformism—the efficient management of a capitalist economy—is insufficient to solve the immediate economic problems confronting Britain.

An indication of the possibilities of success in such tactics was written in *The Economist*, when Hugh Gaitskell was elected Leader of the Parliamentary Labour Party. The decision to make Gaitskell Leader, said *The Economist* was a risky one, because it may be the start of "an unprofitable slide to the left." Because he lacks firm backing in the trade union movement, *The Economist* forecast that Gaitskell could "rule only by persuasion, and persuasion means conciliation," conciliation with the Left.

The about-turn on Suez showed that Gaitskell is, because of his own unstable position as Party Leader, forced to make concessions to the left wing. What the left wing must do now, by adopting the tactics outlined above, is to push to the very limits the concessions which Gaitskell is prepared to make. Having achieved this goal, it must push harder and get beyond those limits—and at no time in the recent past have conditions been more favourable for such an operation.

The Tories' Housing Record

By B. Donaldson

How did the Tory Government's policy of credit squeeze, higher interest rates and abolition of subsidies affect house building in Britain last year? Figures published by the Government itself last month, giving the record for the first 11 months of 1956, give the answer.

Up to the end of November a total of 272,454 new houses were completed, 16,091 fewer than in the same period of 1955. But, in spite of a drop in the total, the number of houses erected by private builders alone increased during the period reviewed. They completed 113,434 houses, compared with 102,410 in the same period of 1955.

Local authority housing plans, on the other hand, suffered badly and took the full brunt of the Tory policies. In the first 11 months of last year local authorities built 159,020 houses as against 175,329 in the first 11 months of 1955.

During the coming year, housing projects of local authorities are expected to slow down even more as the effects of Government policies become more apparent. In addition there are signs that private house building is now beginning to slow down as a consequence of the credit squeeze. It is estimated that private builders in England and Wales started work on about 116,000 houses last year, compared with 124,000 in 1955. The full effect of this drop will be noticed during the current year, when these houses are completed.

The total effect of this slowing down of house building activity, coupled with the proposals contained in the Government's new Rents Bill, will be to push up the rents of privately-rented dwellings. Council house rents can also be expected to rise as higher interest charges and abolition of subsidies continue to make themselves felt via the rent book.

FORUM

Discussion of the Socialist Program:

SOCIALISM IS NATIONALISATION PLUS WORKERS' CONTROL

By STAN NEWENS

Is workers' control of industry possible? That is the crucial question raised by Peter Reed in his article "Nationalised Coal and Socialised Industry" in last month's "Socialist Review." According to Comrade Reed, workers' control is inefficient on technical grounds and unwanted from the Miners' point of view. If he is correct beyond question, those who think in terms of further measures of nationalisation as the means of ending capitalism must find an alternative. For whether we like it or not, there is much less enthusiasm for and faith in nationalisation among the working class to whom socialists look for support, than there was ten years ago when the NCB first took over.

Workers' position unchanged

The basic explanation of this fact, whatever the truth of Comrade Reed's ambiguous statement that the miners obtained the form of public ownership that they desired, is that they (along with workers in other nationalised industries) did not gain what they expected from nationalisation.

Major Lloyd George prophesied in Parliament, when the Coal Bill was under discussion that after nationalisation, the miner "will go to the same pit and get the same lamp from the same man and when he gets to the bottom he will if he is in certain parts of the country, see the same expression on the face of the pony. He will see the same manager, the same deputy, the old roadway, and the same coal-face and on Friday, he will probably be paid by the same man." (*Hansard* 30th Jan. 1946 Col. 880.)

Unfortunately, from the workers' point of view, Lloyd George was correct and after a short period of reserved judgment, the miner returned to his traditional attitude of suspicion and scepticism towards his employer. The change for them was largely a paper one.

If he did not return to his former hostility, or if he was a newcomer, as were the many displaced persons who entered the pits after the war, bitter experience soon taught him the lesson. A shift spent in dangerous and cramped working conditions for which the overman refused to make an allowance in his pay sheet, or several hours spent waiting to see an inflexible official over a grievance, quickly taught him the elementary facts of his life. Realising he was still at the base of the pyramid, he adapted himself. The traditional attitude was his reply—militant suspicion.

The dissatisfaction was rubbed in by facts—often culled from the Tory press—about the new officialdom. Of nine Nationalised Coal Board members, only two (Ebby Edwards and Sir Walter Citrine) had a Labour background. The rest were much nearer the old coalowners and included Lord Hyndley, Sir Charles Reid and T. E. B. Young, all of whom had been directors of leading private enterprise concerns.

The same thing occurred at local level. Men with reputations as local tyrants held their positions and were even promoted. The conclusions to those who knew the industry were obvious.

True enough, wages rose in the mines much more rapidly than in other industries but the fact was not lost on the miners that they owed this to the coal shortage not to nationalisation. Railwaymen under nationalisation gained very little financially and one, by no means hostile, student of the mines considered: "It is not at all clear that wages would have been less under private ownership; they might have been greater." (William Warren Haynes, *Nationalisation in Practice*, 1953, p. 154.) In any case the miners saw that their new employer like the old yielded to pressure; there were few bounties.

The pyramid of authority

On the employing side, each official in the new hierarchy from NCB members downwards put the screw on the official below him to squeeze out better results. The latter passed the pressure on to his immediate inferior until the miner was reached—with no one to squeeze but his own muscle. As early as 1947, this method or procedure produced the Grimethorpe Strike which cost 600,000 tons of coal. The miners showed in this struggle that their antagonism to increased exploitation by increasing their stint in the name of the NCB was no less than it was in the days of the private coal-owners. This antagonism has since been demonstrated many times over by an unparalleled record of unofficial strikes.

To speak of NCB sensitivity to the men's demands by instancing the removal of a manager by strike action is like speaking of the sensitivity of a horse to whip. For this one case which Peter Reed gives it is possible to cite many in which the men did not get rid of a hated official or manager—because their demand was not backed by such determined pressure.

A state of affairs in which more days are lost by strikes than in any other single industry, is surely not characteristic of development away from capitalism as Peter Reed suggests. The intensity of class struggle has in some respects increased under nationalisation.

The power of bureaucracy

Truly, the miner's attitude to his job in a nationalised concern is basically no different from that of the average worker in a private concern. Bitter experience under both private owners and nationalised boards have bred a suspicion of management that could surely not be produced by a socialist system. The average working miner in fact no more identifies himself with the ownership of the concern in which he works than he did in the 1930s.

This outlook epitomises the fact

that the mass of miners are still a part of the ruled and not the ruling class. There is nothing in common with socialism if the workers are not to participate in deciding their own destinies except in so far as they help elect Members of Parliament. The more so, as the Nationalised Coal Board is not even responsible to Parliament but only in general terms to the Minister of Fuel and Power.

Socialism is not as so many socialists have mistakenly supposed a question purely and simply of the form of property. Much more important is the question of control and effective power, which many have glibly assumed is inevitably inseparable from legal forms of ownership. Despite nationalisation, effective power in the mining industry resides not in the hands of the community as a whole but in the mining bureaucracy. The crucial stage in the development of socialism will be the transfer of effective power to the workers from this oligarchy. Workers' control is surely the only means whereby this can in deed and not merely in word be genuinely achieved.

Control distinct from management

Comrade Reed dismisses workers' control as utopian primarily by arguing that control could not be exercised without a level of technical knowledge outside the range of a committee of ordinary average workers. This argument confuses the functions of management and control. The task of management of investigating and recommending means of achieving a general policy requires technical information, but authorisation and in some respects the formulation of general policy, which is the role of control, can be effectively carried out by laymen.

Even the existing administration often lacks the technical knowledge required for formulating general policy. Many members of both National and Divisional Coal Boards came from outside the industry. They included at one time or another successful businessmen from most sections of industry, Labour leaders, lawyers and even an odd retired Major General and a Rear Admiral. What special technical qualifications could such men have possessed?

Examples

Peter Reed's arguments that technical knowledge is needed before control can be effectively exercised applies much more forcefully in the case of a city which is a much more complicated concern to control than an individual mine. Yet who would deny (outside the drawing rooms of certain reactionary town clerks) that ordinary workers when elected to a local government council are capable of controlling it and running all affairs within the limits laid down by the central government.

This is done with the aid of information obtained from local government officials. It in no way detracts from the fact that control is vested in elected councillors and not officials.

Even at central government level, policy is often decided by laymen without specialist knowledge of the departments they control. Permanent Civil Servants, etc., may advise but the ultimate power of decision is not in their hands.

Some experts more expert than others

The chief reason why control by elected representatives has been accepted under capitalism in local and central government spheres is that local and central government is not a direct source of profit as is industry. Logically there is no reason whatsoever for arguing that working men would be any less capable of controlling the concerns in which they work than of wielding power on local councils or sitting in Parliament.

Experiences on the joint Consultative Committees has shown that where men are not too frustrated and sceptical to participate—with the result that representation has not been left to "bootlickers" and sycophants—their contributions have been equal to if not superior to those of the technicians in many cases. In fact, it is by no means easy to argue that the experts are better placed than the men to find solutions to the problems of absenteeism, steel losses, safety, stagnant or falling production, fair payment for work done in abnormal conditions and other matters normally decided at pit level.

None the less, the effective power of decision is vested in the management—controlled not by the workers but by their superiors.

Nationalisation—a social issue

Such a system is neither socialist nor neutral as Peter Reeds suggests. It is essentially capitalist—with many similarities to capitalist giants like Unilever or General Motors. In a socialist society, every pit or productive unit would be required to fit into a national plan, but the whole body of workers or their elected representatives would be consulted in fixing the target; similarly they and not the bureaucratic oligarchy which wields power at present would determine the means employed to reach it—after receiving such technical advice as they required.

Some such system of industrial democracy is a vital feature of socialist society. Without it, whether property is nationalised or not, the workers will remain an exploited class. That is one reason why genuine socialists should struggle against the ideas for the future of industry put forward by Right Wing Labour Leaders and Stalinists as well. It is no accident that neither—despite mutual antagonism—advocate a genuine programme of workers' control.

FORUM

The Tories are talking loudly about European Unity, European integration, common markets, free trade zones and so on. Why? What do they want out of it? What should the Socialist attitude be? This article starts the ball rolling by showing the contradiction between

CAPITALISM and EUROPEAN INTEGRATION

By Seymour Papert

It is not simply because of natural resources that America has outstripped Europe in the development of industry. Nor is it simply that fate decrees that every dog has his day. The very conditions which nurtured the infancy of industrialisation in Europe now hang like a millstone about its neck. Among these is the division of our continent into a dozen and more separate national states.

Each capitalist state nursed its early industries behind the sheltered walls of import duties, tariffs and special taxation. But these same walls were later on to hamper growth. A crucial feature of our century has been the series of attempts, sometimes warlike sometimes peaceful, to integrate Europe, to break up the national barriers to trade and industrialisation.

There is no doubting the economic inefficiency of Europe's subdivision. Where American industry produces for a market of 164 millions, the four largest Western European countries each count only 40-50 million souls. The greater degree of concentration and specialisation of the US is partly the consequence of this. To a far, far greater extent than in Europe American production is located in the regions most suitable for the product concerned.

Vested interests in the State

Is it then more sentimental foolish national pride which holds back the pace of development? By no means. The forces behind national patriotism are neither foolish nor sentimental. The existence of national states in Europe not only protected the infant industrial capitalism; it put its stamp on the adult. The very monopolies which have now grown to large for their national states acquired a vested interest in them. British capital might hanker for the German market; but it is not at all willing to dissolve the British State which, after all, it con-

trols. Nor to see it weakened. From time to time (1914, 1939) attempts have been made to organise Europe at the point of a bayonet: but they failed because no state was strong enough to impose its will on the others. Peaceful attempts at unification are part of the same pattern and we shall see that they stumble against the same black power.

Post War blue-prints for unity

Post-war Europe has thrown up a host of partial integration schemes—as often as not under American tutelage. The EPU (European Payments Union) which acts as an all-European clearing bank, the OEEC (Organisation for European Economic Co-operation) are examples of institutions which lubricate trade between European countries without breaking the barriers in any real sense. At the other extreme is Benelux (for Belgium, Netherlands and Luxembourg). This is an association of three countries which is tight enough for the three to be regarded as one unit. But while it has elements of significant unification it is on a very small scale: in fact its formation was dictated by the very smallness of the countries involved (Luxembourg has 309,000 people and the other two about ten million each.

The Coal and Steel Community

The most serious and important partial unification is the European Coal and Steel Community (ECSC). In 1952 six countries—Western Germany, France, Italy and the three Benelux countries—signed the Schuman Treaty which claimed to integrate the trade in coal, iron and steel. In theory there would be no discrimination in any of the countries against the coal and steel products of the others: movements of these commodities were to be as freely made as between Lancashire and Yorkshire. No cartels or restrictive practices were to be allowed. In fact a

model was being set—or so it was said—for the complete *laissez-faire* integration of Europe. To ensure the working of the plan, a body was set up which made up for any other deficiencies by its grand title: The High Authority.

The ease with which the Coal and Steel Community was accepted and also the shallowness of the arrangement came out when we trace the condition of the Steel and Coal market. Conditions of over-production make protection necessary and conditions of rapid expansion of demand do the opposite: when there are markets for more than can be produced no producer needs protection. Now at the time the ECSC began coal and steel were in full boom. In France, Germany and Italy 1952 production hit a level 20% above the previous year—and every pound was sold. The ECSC met the needs of production—protection was not wanted, organisation could go ahead.

The slumps the problem

But 1953-4 marked a recession: output went down by 10-25% in the ECSC countries. At the same time manufacturers began offloading steel at privately fixed prices well below the level approved by the High Authority and 55 Ruhr coal producers openly broke the rules by forming a selling ring known as GEORG. The High Authority fumed and raved: but was impotent. It dared not act for fear that the whole card castle would come toppling down! As long as boom conditions weakened competition the ECSC could be allowed: but even then only because it was without teeth and could be defied when the economic weather changed.

For three years the High Authority complained about the existence of GEORG and other cartels. It ordered their dissolution. It threatened to impose penalties. In the end it made a compromise: it would "allow" the rings (as if it had a choice!) provided they were not too big. GEORG obligingly split into three at the end of last year. Even the *Economist* had to admit that the High Authority had produced "a small mouse for three years' labour."

But even this gives too much credit to the High Authority! GEORG had already lost its main purpose when 1954-1955 brought a complete recovery from the recession. Once more steel and coal were booming, and in short supply and when fortune smiles on the capitalists they can afford to flirt with integration.

So is the boom!

Yet the ECSC has new troubles which show its impotence just as clearly. The boom has created so great a demand for coal in Europe that 25 million tons of expensive US coal was imported last year. Who will get the cheap coal and who the dear? In Britain the NCB shares amongst all the buyers the cost of importing over 5 million tons of Yankee coal. But national capitalism in Europe naturally makes the weakest buyer carry the can: Italy is complaining bitterly that she is not getting cheap German coal

and that ECSC is, for her, reduced to nonsense, by the enormous price she has to pay for American supplies, while German steel gets cheap coal. The German mines reply that they are not breaking the rules; they sell to all at the same price but they simply haven't enough to go round—their pals just happened to be first come and were first served. We see once more that the ECSC is riddled with loopholes. *But not by accident: it was acceptable just because it could be evaded.*

The Common Market plan

After this preface, we turn to our main topic: the plan for a European Common Market now under serious discussion by the governments of Western Europe. The negotiations have not yet come to a final conclusion but their story already provides a beautiful display of the contradictions in capitalism. European capitalism is at once impelled to integrate and prevented by its very nature from doing so.

What lies behind these proposals, what lies in their way? What will they achieve?

The essential features of the proposals are the creation of two groups of countries:

(i) **A common market** consisting of the six ECSC countries and any other who accept the rules. The common market countries will drop all tariffs, duties, quotas and other restrictions and discriminations against one another's goods. (Food or perhaps all agricultural produce will probably be excluded from the arrangement.) In addition the member countries will agree to have a common tariff policy in dealings with the rest of the world.

[continued on next page]

HOW THE DOLLAR "INTEGRATES" WITH THE MIDDLE EAST

The strings attached to President Eisenhower's plan to spend 200 million dollars a year on economic assistance to the Middle East, are now quite apparent. Mr. Dulles put the issue clearly when he said that the countries of the Middle East would "have to be dedicated to fighting against international Communism before we give them help."

This is no new doctrine for the United States; at present American "aid" to the rest of the world is running at around 3,600 million dollars a year—and two-thirds of this goes in military assistance. Compared with 402 million dollars of technical aid, military assistance accounts for 2,017 million dollars, and defence support another 1,162 million dollars.

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FORUM

EUROPEAN INTEGRATION--continued

(ii) A free trade zone consisting of countries who accept one half of the rules, namely to drop all tariffs between themselves and the common market. They will be free to make independent arrangements with outside countries. The countries likely to join are Britain, Sweden, Norway, Denmark, Switzerland and Austria. These arrangements will not come into force overnight after signing the treaty. The restrictions and tariffs will be reduced gradually over 12 to 15 years.

Conflicting interests

The motor of capitalism is the need to expand. The law of competition dictates: grow faster than your competitors or go under. But to say only this is to oversimplify. There is unequal development amongst firms and amongst countries so that when one sector cries against every obstacle to expansion, another wants to shelter behind them, and so we find that there are conflicting interests at work. For example Germany and Benelux push hard for integration, while France is torn by hesitation and doubt. The explanation of the differences lie in the economic conditions peculiar to each country.

Germany—confident

Germany is the economic wonder of Europe. Compared with Britain and France her economic development has been tremendous between 1950 and 1954. She pushed industrial production up by 50%, exports and imports by 60% while they barely managed 20% on each. There is no miracle behind it. Britain and France were spending more on armaments than they were putting into investment; Germany had only the tiniest military budget and could put her surplus into building industry.

Moreover she was not dragged down by backward industrial methods which are our inheritance from the past. The result is that Germany is effectively eating into the export markets of the other countries: she has beaten British and French car sales wherever she has met them on equal terms. No wonder then if she is wholeheartedly behind breaking down protective walls which keep her out of home markets in the European countries!

Germany's economic interest in European integration is supported by the political position of her government. Adenauer sees the *Unification*

of Western Europe as a slogan which can answer and replace the demand for the *Reunification of Germany*.

Benelux enthusiastic

Benelux—the most ardent of all supporters of "Europe"—have slightly different reasons. They too, have been prospering above the European average and, like Germany, have even been able to give credit in their European trade while France, Britain and Italy have constantly run into debt. But the chief economic factor pushing Benelux to integration is that all three countries depend heavily on trade, Luxembourg and Belgium have a concentration of heavy industry out of proportion to their population and export as much as 70% of their steel output. Holland gets 35% of her national income from foreign trade, so it is only to be expected that these countries will throw themselves wholeheartedly into the attempt to open up Europe's markets to freer trade.

Military factors also push Benelux in the same direction. They are small countries with industries which would make them a plum to Russia whose army in Eastern Germany is only 150 miles away from Holland. Admittedly the immediate danger of such an attack is slight: but the fear of it is felt from time to time in Dutch breasts and that is what counts.

Britain faces both ways

All capitalist countries are tied to one another by the laws of competition and the market. This is well illustrated by Britain's position in relation to Germany and Benelux. She (and other countries) have only a very restricted choice. Once Germany and Benelux start the current going, Britain is under heavy pressure to go forward. This is reflected in all discussions—whether in Parliament, the *Times* or the TUC. Everyone knows that Britain is in an economic pincer. If she stays out she loses a large part of her present export trade to Europe because tariffs will be put up against her by low tariff Benelux and a wave of German and other goods will flood in because tariffs will be lowered for them. Britain cannot afford to stay out. But she can haggle about the conditions of entry—and dilute the scheme yet further by altering its form to suit her special needs.

The chief concession demanded by Britain is that the abolition of import duties should not apply to food. The

reason for this is plain. The Commonwealth trades with Britain under special terms known as Imperial Preference. Britain is not eager to share these special terms with her future partners. In fact the existence of Imperial Preference was, at first, raised as a conclusive argument against entering the free trade plan at all. It was pointed out that Commonwealth trade amounts to 12,000 million dollars, while Britain's share in trade with the six Schuman countries is only about 1,100 million dollars. But the idea of a deal came quickly. The bulk (90%) of imports from the Commonwealth is food, so that if this could be excluded from the European plan all would be well—for Britain. But not for everyone else.

Italy gets the boot

The chief sufferer would be Italy who looked forward to increasing her agricultural exports to Europe. In fact according to the General Confederation of Italian Industries the British proposal removes one of the chief advantages for Italy in the whole scheme (*Times*, October 17, 1956). But who after all is Italy? The crux of the matter is that her boot does not kick as hard as Germany's or Britain's.

The discussions on unity are not a fresh approach, free from the struggle between nations: on the contrary they are simply a phase of this very same struggle.

In this incident we have the principal contradiction in any capitalist approach to integration: each capitalist moulds his idea of unity in the image of his own interest. Their very concepts of European unity become means of furthering their respective national interests. Each one pushes a scheme for unity which is a reflex of the very reasons why such capitalist unity cannot exist.

France—Europe's invalid

The British proposal throws a spotlight on the inability of capitalist Europe to carry out effective integration. But it is left to France—where everything is always more naked—to expose the bankruptcy of the current negotiations.

Her first proposal was to adopt the common market for a trial period! This proved too much for anyone to swallow. Apart from its frank admission of hopelessness, the very idea of a trial period is ludicrous. The plan is supposed to bring about a reorganisation of the European economy: the net effect of a trial period would be to rule this out. Who will put up a new factory for a trial period?

The trial period concept was contemptuously thrown aside; but the next French proposal is hardly less disastrous to the prospects of real unity, though it sounds more reasonable. The concession now demanded by France is the power to impose protection, discriminations, taxes in case balance of payments difficulties arrive.

In plain English this means that when the time comes to go back to protectionism, the change can be made without the indecent spectacle of breaking a treaty. France has always had a fine sense of civilised manners! France's fear of unity comes from the backwardness of her economy.

But, at the same time, she is driven to enter the common market: and partly by the same economic weakness. This comes out clearly from her plan to bring her African colonial territories into the scheme. To do so is a real sacrifice: she has as much interest as Britain in keeping her Empire to herself. But she has been

Readers, we have set aside these centre pages for serious discussion and for contributions to Socialist theory. We believe that we are unique in this country in being able to offer a forum for serious socialists who are committed to neither Washington nor Moscow but to international Socialism. We believe that such people will not be frightened by the "heaviness" of the material in this section—our forum.

driven to desperation by the rapid political development in the colonies. She lost Indo-China and is holding Algeria only with a huge effort. She sees only one hope to keep her other colonies from following the same road—the offer of solid economic development. But, by herself she cannot afford this. The colonial wars themselves have contributed to draining her resources even further. And so she proposes a deal Europe will be allowed access to her colonial markets; in return she asks for the establishment of a fund to provide a billion dollars a year for colonial investment. It remains to be seen whether the bargain will be struck: a billion dollars a year against a colonial market of 37 million Africans.

Unity through Socialism

But the principle emerges whatever happens: in the hands of capitalist governments the proposal of European unity has nothing in common with the grand conception which has inspired socialists from the time of Marx and before: the conception of a Europe no longer divided against itself and at last able to put to the service of man the great giant-industrial power which sprung from its loins.

This dream will be realised: but only after both the giant and Europe have been removed from the hands of capitalists driven by private profit to those of men who work the machines. We shall see a united Europe when we see a Socialist Europe.

Yugoslavia—

—End

such a system of workers' councils some basic prerequisites are necessary, primarily the existence of workers political democracy, but also some other objective factors.

The death of workers' democracy in Russia was not an accident. It resulted from the economic backwardness of the country and its siege by world capitalism. Under such conditions the productive forces cannot advance speedily along a Socialist groove, and a class of bureaucrats rises to "reach the light with knout in hand."

This, in essence, applies as much to economically backward Yugoslavia as to Russia.

A socialist revolution in one country is possible, even if the country is very backward. An advance in the direction of Socialism is also possible for a certain period of time, but, the more backward the country and the greater the outside pressure on it the shorter is the period, and the greater the danger of bureaucratic degeneration. "Socialism in one country" — and especially a backward country — is absolutely impossible.

universities & left review

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FORUM

pro and con debate on

YUGOSLAVIA : what is it ?

I read in *Socialist Review* (December, 1956), an interesting article by Tony Cliff, entitled, "The Future of the Russian Empire—Reform or Revolution?" I don't want to engage here in a general discussion on the article as a whole, which contains positions that I agree with and others which I accept only in part or not at all. Instead, I want to raise a specific question which seems particularly important to me. In the article there is a paragraph entitled "The Limits of Titoism," which contains, in my opinion, a series of mistaken judgments based on false data. I agree that what is generally called Titoism, that is the Yugoslav regime, has its limitations and cannot be equated with a fully socialist system. But it seems to me that in his article, Tony Cliff is fighting wind-mills, due to wrong information and, consequently, that his estimate is not only mistaken, but incapable of leading to a concrete Socialist perspective. I shall divide my observations in two main parts:

(1) **Misinformation:** to demonstrate the contrast existing between the propagandistic slogan, "the factories to the workers," and the Yugoslav reality, Cliff quotes at length a dispatch to the *Manchester Guardian*, dated August 19, 1950, concerning a Yugoslav factory. Aside from the fact that a bourgeois newspaper does not offer sufficient guarantees in this matter, it is important to note that the system of workers' councils and of self-management was introduced in the Yugoslav factories only after August, 1950. The *Manchester Guardian's* report is, therefore not relevant to this problem.

Lucio Libertini criticises

To prove that Tito's "enlightened totalitarianism" is tied to the stagnation of industrialisation, Cliff quotes the data from the "Economic Survey of Europe," showing that the increase of heavy industrial production in Yugoslavia amounted to 6 per cent. between 1950 and 1953, that is, less than in any other European country. On the other hand, the official Yugoslav statistics (which may be questionable, but nonetheless remain the only direct source) show an increase of 11 per cent. for the same period.

But, aside from this, I would like to point out that the years chosen by Cliff are hardly indicative of what he wants to prove. In the first place, Yugoslavia was exposed to a terrible economic siege during this period, and was compelled to build up its military forces; secondly, the establishment of workers' councils slowed up production below the expectations of the plan.

Finally, the production index does not show the effort accomplished in building those factories which started producing after 1953. In fact, if Cliff had moved on to consider the year 1954, he would have found that the index of industrial production rose from 183 to 208, between 1953 and 1954. The inhibiting effect of certain criteria of planning on the indexes becomes even clearer if one considers the indexes showing the production of means of production. If 1939 is taken

We are happy to print the following letter from an Italian comrade, Lucio Libertini. Comrade Libertini is the editor of the Rome weekly, *Risorgimento Socialista*, the organ of the Independent Socialist Union (USI—Unione Socialista Indipendente). The USI itself started as a break-away from the Italian CP when a number of its members refused to accept the "line" that Tito had become, overnight, a fascist. This was in 1949. Since then the USI has shown its virility in steadily growing in mass support and in strengthening its appeal as the sole protagonist of Third Camp Socialism in Italy, a party based neither on Moscow nor on Washington, but on International Socialism—*Editor*.

as base (100), we have: 121 for 1946, 510 for 1950; 757 for 1953; 789 for 1954. Also the absorption of inexperienced labour of peasant origin into the new factories caused a drop in the average productivity; only in 1956 did productivity rise in a greater proportion than the number of workers entering production.

In short, a more careful examination of the real data shows that Yugoslav industry has made considerable progress and that, most important, the basis now exists for a rapid development, notwithstanding the difficulties deriving from the conflict with Russia. It is true that the speed of accumulation has remained inferior to the countries under Russian occupation; but isn't the rhythm of accumulation in these countries precisely a symptom of the oppression that caused the popular insurrection in Hungary?

(2) **Lack of a concrete Socialist perspective.** Cliff criticises the Russian bureaucratic-collectivist regime, the imposition of agrarian collectivisation by police methods, an excessively high

rate of accumulation, and the emphasis placed each year on heavy industry. I agree with him. But then he proceeds (also on the basis of erroneous data) to show that a more "liberal" system tends to inhibit industrial development and to arrest agrarian collectivisation; consequently, the reader remains under the impression that he is opposed to such a "liberal" course. Cliff, being a Socialist, we know that he is opposed to a system based on private property and on a free market economy. So the question arises: what does he want? It is easy and always possible to criticise, but what is necessary is to propose a concrete and effective perspective, other than on a propagandistic level. One may be in favour of a high or low rate of accumulation, of giving priority to heavy industry, or to consumers' goods, of compulsory or voluntary collectivisation of the land, but one cannot be again both at the same time without objectively falling into defeatism pure and simple. Therefore, I want to know whether Cliff supports workers' councils or not, provided they actually function as such; secondly, I want to know if he believes that all is solved if they do, or of the

choices listed above remain, as well as many other practical difficulties.

(3) **The attitude towards Yugoslavia.** I do not believe that the Yugoslav system is good for my own country; moreover, I believe that it shows a number of defects even in Yugoslavia. It is true that the laws on the workers' councils, the decentralisation of administration, the dismantling of the bureaucratic apparatus are positive facts, but the rigid one-party system is not acceptable as it prevents the necessary flow of ideas, even within the party in power, and because it leads to the prosecution of "crimes" of opinion. But a judgment on Yugoslavia which explains everything by the conflict between the national bureaucratic caste and the Russian bureaucratic caste is dogmatic and abstract. By so doing, the perspective of Socialism is removed to an enchanted land where the State has already withered away, where there are no international problems, where the mountains are of butter, and the rivers of milk and wine. It seems to me that this is the worst service one can render the cause of Socialism. I have no objection to sharp criticism of Yugoslavia, by Cliff or anyone else, but he should indicate at each point a different concrete solution to the problems at hand.

Thanks for the space, and fraternal greetings.

Lucio Libertini.

Tony Cliff replies . . .

Information correct

Comrade Libertini writes: "... it is important to note that the system of workers' councils and of self-management was introduced in the Yugoslav factories only after August, 1950. The *Manchester Guardian's* report is, therefore, not relevant to this problem."

Actually this system was introduced into 215 factories already at the beginning of 1950. By June 26, 1950, when the Federal Parliament of Yugoslavia promulgated the "Basic Law on Workers' Collective Management of State Economic Enterprises and Higher Economic Organisation," one thousand enterprises had established the system. Immediately after the promulgation of the law, the system was introduced throughout the country. (For more particulars see Chen Yungwen, "Yugoslavia's 'System of Workers Own Management,'" *Peking Daily Worker (Kung Jen Jih Pao)*, November 29, 1956.)

Condition of workers

Whatever the years we choose, we can show that Yugoslavia's general industrial output rose very slowly since Belgrade's break with Moscow. An increase of 6 per cent. in industrial output between 1950 and 1953 is quoted by official Yugoslav sources. See, for instance, *Statisticki Godisnjak FNRJ* 1956, Belgrade, 1956, p. 150). Things have, it is true, improved since the lifting of the Stalinist blockade of Yugoslavia (with its accompanying easing of the military budget). Thus,

in the years 1953-55, industrial output increased by 32.2 per cent. (See *ibid.*)

Of particular note is the virtual stagnation of consumer goods industries supplying the needs of the people. Thus, for instance, if the output of Yugoslavia's textile industry in 1948 was 100, then in 1950 it was 97.4; 1953, 75; 1955, 105.8. The corresponding figures for the leather and footwear industries are: 107.4, 65.4, and 87.7; for the tobacco industry: 93.0, 69.6, and 103.2; for food industries: 82.1, 99.1, and 110.1. (*Ibid.*)

One result of this, together with the existence of an exploiting bureaucracy, is the harsh material conditions of Yugoslav workers. Thus, for instance, Vice-Premier Svetozar Vukmanovich, stated in the Yugoslav parliament on November 26, 1956: "... the wages of skilled workers have remained below their pre-war level." (*Politika*, November 27, 1956.)

Collectivization

Libertini writes that "on the basis of erroneous data," Cliff proceeds "to show that a more 'liberal' system tends to arrest agrarian collectivisation." He does not, however, point out what is wrong with the figures I used in my article. And it is certainly the case that in Yugoslavia, to which the term "liberal" probably applies, collectivisation of agriculture lags far behind Moscow's European satellites, as is clear from the official figures. Thus, in 1953, co-operative farms made up only 9.5 per cent. of all the agricultural area of Yugoslavia (*Statisticki Godisnjak FNRJ* 1955, Belgrade, 1955, pp 111, 131).

How much workers' control ?

One should not idealise "workers' management" in Yugoslavia. The Yugoslav leaders do not try to explain how decentralisation of the administration can be compatible with the existence of a monolithic, highly centralised, one-party system, managed by the Political Bureau; nor how workers' management of an enterprise can be compatible with a central economic plan determined by the same nine people in the centre of political power. What autonomy can a workers' council have that is elected from a list of candidates put forward by the trade union, which is centralistic and controlled by the Party? Again, what autonomy can it have when the economy is planned and the vital decisions on production, such as real wages (the amount of consumers' goods to be produced and distributed nationally), are made by a central government independent of the people? How can there be genuine local self-government in a situation where everything, from factories to papers, from people to machines, is in the hands of the centralised, bureaucratic state?

In fact, the actual power of the councils is very small. Thus, for instance, the amount of profits available for wage-bonuses out of the factories' profits averages only 0.6 per cent. of the costs of production (Paul Johnson in *New Statesman and Nation*, October 27, 1956).

Socialism in one country ?

Libertini says: "... I want to know whether Cliff supports workers' councils or not, provided they actually function as such. . . ." The answer is "yes." However, for the working of

[continued on page five]

TWO TACTICS OF BRITISH IMPERIALISM

One: Independence for the Gold Coast | Two: Terror for Trade Unionists

By Selwyn Pepper

At first sight the Tory policy in West Africa might seem inconsistent with their general colonial policy. At the same time as their armies and police forces smashed viciously against colonial independence in Kenya, Cyprus, and the Middle East, preparations were going forward to give self government to the Gold Coast. Why are they ready, in fact eager, to make this small (4 million people) West African colony a "Full Member of the British Commonwealth of Nations?"

It must be admitted that Britain really is giving something away in the Gold Coast. It is true that Ghana (as it will be called after independence) will be in the Commonwealth. But it will be free to leave. It will be free to give all its business to Britain's rivals in Western Europe in the same way as India has given some very juicy contracts (including a large steel plant) to Germany; it will even be free to break with the West altogether. On the other hand, we shall see that the Tories have good reason to be sure that none of these things will happen in the near future and things have been moving much too fast for them to worry too far ahead.

NOT MUCH TO LOSE

They can be sure that Ghana will "stay British" for quite a long time because of a particularly tight bond between British interests and the plans for economic development in West Africa. The biggest scheme in Ghana is the Volta River plan. This project will set up a huge hydroelectric power system, which will be used to manufacture aluminium in large quantities. It is being financed by three partners: the Ghana government, the British Government, and a group of British and Canadian aluminium companies. It is obviously as safe as can be.

So the immediate risks of letting the Gold Coast loose from the apron string are not very serious. On the other side of the story stand some solid advantages which can come to capitalist Britain.

PLENTY TO GAIN

In the first place there is the propaganda value of this piece of "liberalism." By showing how good British intentions are, it goes towards scenting over the stink of Kenya and the Middle East—and it is important to do this not only for the sake of the rest of the world, but for the sake of the morale and self-confidence of British officials themselves.

Secondly—and more important—is the fact that Ghana can develop the Gold Coast as a field for British capitalism and as a dollar earner much better than a British administration ever could. (At the moment the Gold Coast is an important source of dollars for the sterling bloc: she is the world's chief producer of cocoa and a large part of her output goes to America. The Volta aluminium will be equally good for Britain's dollar position.)

THE PEASANT FOOTS THE BILL

The money which Ghana will put into the Volta project (like the finance for her ten million pound harbour construction) comes from the sale of cocoa. But in order to use the cocoa proceeds for capital development the Gold Coast government has to exploit the peasants who produce the precious beans. This is done by forcing the producers to sell their entire crop to a

government board, which then sells it at an enormous profit in London and New York. This exploitation is on a tremendous scale; while cocoa prices have been as high as £500 (and never fall below £200) the peasant gets only £134 a ton. The result is that approximately two hundred million pounds have come into the hands of the government!

INDIRECT CONTROL BEST

There is no doubt that the peasants would not approve this policy of using their money for schemes which — as they would see it — benefit only the towns and the foreigners. But the nationalist intellectuals and middle class care less about what the peasants want than about the development of their country and the opportunities this opens for them. Thus they act as an oppressor class in relation to the peasants . . . and do so far better than a British administration ever could, for the simple reason that under direct British rule this very class would be driven into alliance with the peasants against British Imperialism.

GOLD COASTIAN POLITICS

Whether the peasants will be able to change the direction of events remains to be seen. The opposition party (the National Liberation Movement) is an *indirect* expression of their interests.

Its main demands (apart from complaints about corruption (are for more emphasis on agricultural development and for splitting the country into three states, which would be federated. Behind the federation idea lies the fact that the cocoa producers are concentrated in the northern parts of the country and more autonomy for them would mean that more of the cocoa money would be spent where it is produced. But the NLM is not a peasant party. It is a town party dominated by professional and middle class interests so that it cannot put forward the fundamental interest of the peasant — to get what he produces. And as a result it has so far not been able to win any large popular support.

TORIES KNOW THEIR CHIPS

Seeing this, the Tories are complacent about giving Ghana independence. The economy will grow as part of the Sterling Bloc, Britain will still pick a large part of the fruit (dollars, aluminium) while the unopposed local ruling class will do the watering.

WHO KNOWS ?

Chance readers might even become regulars;

Regulars might even take extra copies of the *Socialist Review* to give to friends;

Friends might even send a donation.

WHO KNOWS ?

The material used in this article has been supplied by Prod, a bulletin of facts and figures issued by the Movement for Colonial Freedom, to whom we are indebted.

It is overseas in the colonies that British Capitalism shows itself without any inhibitions. In this country the Labour Movement is well organised; it has compelled the bosses to dress up in a fig leaf of humanity and cultural values. But in the Colonies where the Labour Movement is still young, Capital can and does behave with uninhibited brutality. Normal trade-union practice is usually hedged in by British bayonets, as the following few facts show.

RHODESIA

At the end of November, last year, the Northern Rhodesian Government introduced an extraordinary law with an extraordinary name: The Emergency (Transitional) Provisional Ordinance. This will enable the Government to banish and control the movements of any African trade unionist it deems a "troublemaker."

By this means it will be able to prevent the 54 Africans now detained from holding further office in their union.

The employers previously tried to head the African Mine Workers' Union by ruling that any African who accepted "any measure of advancement" must join the African Mineworkers' Staff Association, which has a *ban on strikes* in its constitution.

This led to an industrial dispute during which the leaders were arrested. Now there is another attempt to break this union, one of the best-organised in Africa.

In Southern Rhodesia no African trade unions (except a railway union) are recognised officially and no Africans have the right to strike (white workers have).

CYPRUS

Trade union suppression is only one part of the ending of almost all freedoms under the emergency regulations here, which include now an automatic death penalty for anyone caught carrying arms.

The position is that all the top officials of the Cyprus Workers Confederation and the Pancyprian Federa-

tion of Labour have been arrested and are detained.

Mr. Ahmet Sadi, and a group of other Cypriot-Turk trade unionists, were arrested on April 25th last year and detained two weeks. Many of them still suffer under curfew restrictions, which make it impossible for them to carry on their trade union work.

Police have broken into union offices and confiscated files and other property. On January 5, 1956, the police forcibly broke up picketing during a 24-hour strike of employees in a Naafi.

All rights of assembly and rights to strike have been abolished by the emergency regulations.

SINGAPORE AND MALAYA

In Singapore over 200 trade unionists have been imprisoned without trial, once again because of the emergency powers. They include Lim Chin Siong, Secretary of the Factory and Shop Workers' Union (two presidents of that union have been put in prison without trial since 1955!), and many officials of the most militant unions.

This purge took place in October; since then Singapore employers have taken advantage of the situation by sacking shop stewards and other workers and breaking agreements entered into with the unions.

In the Federation of Malaya, also, trade unions are continually thwarted by emergency regulations. Recently the National Union of Factory and General Workers, in a resolution submitted to the Malayan T.U.C., demanded a stop to police interference in trade disputes and the removal of restrictions on free speech, assembly and movement.

WEST INDIES

Here there are some sunny spots, but many shady ones, too. In British Guiana, the Industrial Workers' Union is fighting for recognition. In St. Vincent, one of the smaller islands, the Sugar Estates Workers have had sporadic strikes for 11 months to improve their weekly wage of £2-£3. During one of these 63 picketers were arrested and dismissed.

These are problems which concern every British Trade Unionist!

MRA + ICFTU = TROUBLE

I SEE THAT the executive board of the International Confederation of Free Trade Unions has recently taken another swipe at Dr. Frank Buchman and his followers in Moral Rearmament. This time the ICFTU accuses MRA of poking its nose into the affairs of trade unions in Tunisia, Northern Rhodesia and Nigeria.

The ICFTU had a previous crack at the Buchmanites just over three years ago, when it asked all affiliated trade union centres to impress upon their members that they should not use their official union titles when acting as propagandists for MRA. Many trade unionists in Britain, fed up with the meddling hand of the MRA, thought then that the ICFTU should have gone further—they will now be pleased to learn that the latest ICFTU statement calls upon all its affiliated organisations to advise trade unionists to sever all connections with MRA.

This move, if acted upon by the Trades Union Congress, will not be without repercussions in Britain. A number of prominent trade union leaders, including at least two members of the TUC General Council itself, are known to be either members of MRA or to have very close connections with it. It now remains to be seen whether they—and all the others at all levels in the Labour Movement, who cling to Doctor Buchman's coat tails—place their loyalty to the working-class movement before that to MRA.

Incidentally, readers of this column who really want the lowdown on MRA, should get hold of Geoffrey Williamson's book, *Inside Buchmanism*. Published a couple of years ago, it raised a storm of protest from MRA adherents inside the Labour Movement—which should be a sufficient recommendation in itself!

§§ **CASSIA'S** §§
 §§ **CALUMNY** §§
 §§ **COLUMN** §§

IN SOME CIRCLES the realisation is dawning that a fair part of the responsibility for the rape of Hungary by the masters of the Kremlin, rests firmly upon the shoulders of the British ruling class, and in particular upon the shoulders of the ex-Prime Minister—Sir Winston Churchill.

It was at Yalta, in 1944, that Stalin and Churchill made the agreement which divided Europe up into "spheres of influence" and so laid the foundation for Russia's recent intervention in Hungary.

Churchill records the event in the sixth volume of his history of the war. He tells how, at the Yalta meeting, he wrote down all the names of the countries of Eastern Europe and indicated how he thought they should be divided between Russia and Britain; this he then pushed across the table to Stalin.

"There was a slight pause," writes Churchill, "then he (Stalin) took his bit, and passed it back to us. It was all settled in no more time than it takes to set down. . . ."

Thus, with Churchill's piece of paper and Stalin's blue pencil, the fate of half of Europe was settled. It was an act which led to Russia's recent assault on Hungary and, much earlier, a similar assault by Britain on the people of Greece.

■ ■ ■

MANY READERS of this column have commented how amused they were with the report of the skit in the East German weekly, *Sonntag*, which took the micky out of the Stalinist bosses of Eastern Europe. This month there is more news of *Sonntag*; but not, I am afraid, so amusing or so pleasing as the last item.

It now appears that the editors of *Sonntag* are knuckling down to the regime, having had the pants scared off them by the bogey-man, which the Kremlin has built out of the Hungarian revolution. They told their readers recently that: "The frightening events in Hungary have jolted us into recognising that we did not correctly read the signs, did not take issue with false and anti-Socialist ideas, and failed to caution our Hungarian friends of the dangerous consequences. Was that accidental? Or is it a sign of the confusion which also prevails here about the destructive consequences of discussions which coincide with attacks upon Socialism on the international level?"

It may be, of course, that the editors of *Sonntag* wrote this because they saw the shadow of a secret policeman peering through their office window. In which case, their action is understandable—but still regrettable in that they did not have the courage to stick to the road on which they had set out.

On the other hand, it may well be that the *Sonntag* editors, as intellectuals and producers of a "cultural review," value too highly the privileges which flow from all this to cast them away by supporting a revolution of workers and students in Hungary.

■ ■ ■

Tory Rent Bill — —

continued from front page

objective is to remove that clause in the Bill which puts their particular class of dwelling outside of rent control; they are not, it appears, so very much concerned with the other provisions of the Bill which will permit landlords to raise the rents of some five million other properties—mainly the smaller type occupied by the workers.

While the middle class tenants, drawing on their elements who are solicitors and the like, are looking after their own interests there seems, as yet, little indication that other classes of tenants are doing the same. It seems that, although aware of the facts about the Bill, they will wait until it becomes law—and they are presented with a demand for extra rent—before they kick up a fuss.

Never too soon to teach

This is a very bad tactic. Unless the working class tenants start kicking up a row now they will find that it is too late to do anything to alter the shape of the Bill—or secure its complete abolition—after it has become law.

The Government's excuse for the Bill is that it will increase the stock of houses and flats available and will enable landlords to keep them in good repair. Thus the job of the tenants, and also of the Labour Movement, is to conduct a campaign which will show the Government how to achieve these objectives—but in a different fashion.

The first point which needs to be stressed is that the stock of dwellings can only be increased by speeding up house building. By pushing up rents families can be made to "double up" (with two or more families living in a house designed for one); this may, statistically and economically, release more houses for rent and for sale. But it is no moral or social answer to the housing problem.

In the first ten months of last year 245,261 new houses were built—six per cent. fewer than in the same period of 1955. This drop was caused by a slowing down in the rate of council house building because of higher interest charges on loans and the abolition of housing subsidies. To reverse the trend subsidies must be restored and loan charges abolished; this would not only enable councils to speed up their housing programmes but would also mean lower rents for the tenants.

Tenants of private landlords may well ask just how this would help them out of their plight. The answer is simple. The more council houses there are available, and the lower their rents, the less need there will be for privately rented houses. Tenants living in privately rented houses can move to council houses and tell the landlord just what to do with his back street shack!

This is, of course, a long term view of the private tenants problem. It will undoubtedly be years before this process eliminates private landlords and all the while the problem is complicated by young couples getting married, raising a family and wanting a house. How, then, can the process be speeded up?

Municipalization of Housing

Labour's housing programme puts forward the specific demand for the public ownership, under municipal control, of all privately rented dwellings, and this—if properly worked out—can help solve the problem. By taking over privately rented dwellings—and then treating housing as a top

priority social service—Labour can overcome many of the present difficulties.

Many of the houses which would be taken over under such a scheme are in bad need of modernisation and repair; the big question for the Labour Party is just how is the finance to be found to bring them up to a reasonable standard? It could, of course, be found by raising the rents; and there are many who argue that tenants would not object to this if they knew that their homes were to be improved as a consequence. But the Socialist answer lies in a different direction.

Socialist Answer

In the past the Labour Party has found no social, moral or economic objection to giving state aid to council housing projects, to hospitals, schools or road building. Nor did it have any objection to subsidizing essential food-stuffs. Can there then be any objection to giving similar state aid to local councils so that they can bring up-to-date the properties which they will be taking over from private landlords when the next Labour Government goes into office?

There are some five-and-a-half million privately rented houses and flats in the country at the present moment. If we assume, and it is only a rough assumption, that they all require an average of £100 in order to bring them somewhere near decent standards the total cost to the nation would be in the region of £550 millions. And if this sounds a large sum, remember it is only about a third of what Britain spends on arms every year—and it would be serving a much more useful function if used to improve living conditions.

Public ownership of all rented dwellings—coupled with a policy which treats housing as a top ranking social service—is the only possible answer to Britain's housing problem. The defeat of the present Rents Bill may prevent an increase in rents for millions of tenants—but it cannot give them better homes. Only a new Government—a Socialist Government with Socialist policies—can do that.

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WHAT WE STAND FOR

The Socialist Review stands for international socialist democracy. It opposes the exploitive system of both Washington and Moscow—the two rival imperialist forces which now dominate the world—and seeks to advance the ideas of a Third Camp which conducts a relentless struggle against both class societies.

It believes that—in the struggle against the reactionary policies of the Tories, against the power of the capitalist class & for the transformation of British society into one founded upon Socialism—a Labour Government must be brought to power on the basis of the following programme:

- The complete nationalisation of heavy industry, the banks, insurance and the land, with compensation payments based on a means test. Nationalisation of all denationalised industries without compensation. The nationalised industries to form an integral part of an overall economic plan and not to be used in the interests of private profit.

- Workers' control in all nationalised industries i.e., a majority of workers' representatives on all national and area boards, subject to frequent election, immediate recall and receiving the average skilled wage ruling in the industry.

- The inclusion of workers' representatives on the boards of all private firms employing more than 20 people. These representatives to have free access to all documents.

- The establishment of workers' committees in all concerns to control hiring, firing and working conditions.

- The establishment of the principle of work or full maintenance.

- The extension of the social services by the payment of adequate pensions, linked to a realistic cost-of-living index, the abolition of all payments for the National Health Service and the development of an industrial health service.

- The expansion of the housing programme by granting interest free loans to local authorities and the right to requisition privately held land.

- Free State education up to 18. Abolition of fee paying schools. For comprehensive schools and adequate maintenance grants—without a means test—for all university students.

- Opposition to all forms of racial discrimination. Equal rights and trade union protection to all workers whatever their country of origin. Freedom of migration for all workers to and from Britain.

- Freedom to all colonies. The offer of technical and economic assistance to the people of the underdeveloped countries.

- The abolition of conscription and the withdrawal of all British troops from overseas.

- A Socialist foreign policy independent of both Washington and Moscow