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by

Harry Pollitt

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**FOR
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AND INDEPENDENT**

**The Report made by
Harry Pollitt to the
20th National Congress
of the Communist
Party, together with his
Reply to Discussion**

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HARRY POLLITT
General Secretary of the Communist Party

1. INTRODUCTION

THE difference between the Communist Party and all other political parties on the vital issues confronting Britain is that the Communist Party alone has a programme which can solve the crisis in the interests of the people. At the same time our policy would strengthen Britain's position as one of the leading independent and progressive nations in the world, ending once and for all United States' interference in our affairs.

The challenge we have to meet is urgent and immediate. The time for decision is short.

The warning we have given at previous Congresses that the policy of the Government was leading to national bankruptcy is now proved correct by the facts. The spendthrift foreign policy, surrender to American economic and political dictation, and failure to undertake serious economic reconstruction at home, have resulted in a crippling of our resources which brings into view the exhaustion of all available reserves for overseas payments within a matter of months.

The standards of the workers and the mass of the people, already hard hit, are threatened still further. The Government has no solution to offer for the threatening catastrophe. They endeavour to create illusory hopes of American dollar aid which, even if forthcoming, will not bridge the deficit, and will, by its accompanying conditions, hamper economic recovery. They call for vast increases in exports, at the same time as they cut down capital construction at home, and as the world market for exports grows more difficult. Faced with this deepening bankruptcy, the Government is falling back on the familiar weapon of capitalism in crisis—to attack the real wages and standards of the workers.

Grave as the crisis is today, further new factors are emerging which may bring yet more serious consequences in the near future. In recent weeks there has been a sharp fall in whole-

sale prices in America. It is too early yet to say whether the long predicted slump is now at hand, but these falls are a reminder that the slump is inevitable in capitalist society. As it develops, the difficulties of selling in a competitive market will increase.

The fact that in such conditions our imports from dollar countries will be cheaper is of little assistance, if our exports meet poverty-stricken buyers in every capitalist market. In this situation the logical consequence of the Government's policy will be an even sharper attack on wages than now, on the plea that export costs must be reduced.

Therefore the developing slump in the U.S. is one more urgent warning to the British people of the extreme seriousness of the outlook, and the need to make a swift turn in the whole policy of this country.

The economic and political situation in Britain today is such as will compel rapid development either to the right or to the left. Already the Government, faced with the resistance of the workers, has held out a threat that what they call "totalitarian methods" may be necessary to overcome this resistance. Toryism seeks to stage a come-back, and makes great efforts to win the support of the women. Fascism and anti-Semitism, under the protection of the Government, has come into the open.

As a result of reactionary American policy which seeks to dominate the world for Wall Street's profits, the world has been divided into two camps—the imperialist anti-democratic camp which is driving for war, led by Anglo-American reaction, with the support of right-wing social democracy, and the democratic anti-imperialist camp which is striving for peace.

The sharpness of the division between these two camps has greatly increased. The drive to a third war has received renewed impetus as a result of the recent war speeches of Bevin and Attlee.

Yet these imperialist threats, whether from the State Department or its junior Labour partners in Britain, cannot hide the fact that growing crisis, instability and confusion exist in the imperialist camp, while the strength, stability and economic order of the Socialist democratic camp grows every day.

The choice before the people of this country is inescapable.

Shall Britain go down in a deepening decline of bankruptcy, with lowered standards, at the mercy of American dictation and with the final prospect of serving as an aircraft carrier of American imperialism in a new world war?

Or will the united progressive forces of the Labour movement act in time to compel a radical change of policy, both abroad and at home, to save Britain and the future of the British people,

enabling Britain to take its rightful place among the democratic and peace-loving nations of the world?

Our Congress is concerned to give positive answers and show the positive way forward in this crisis. An answer such as will evoke a willing response from all who have built up the Labour movement to its present strength. An answer that will arouse all who work in mine and mill, shipyard and office, steel works and docks, on the railways and on the land; the technicians and the professional workers, the young and adult citizens alike, women in the home or the factory, ex-Servicemen—in short, all who love Britain, are jealous of its good name, who are concerned about its present position and who wish to see the great social changes which could justify the great sacrifices the common people made during the war.

The British ruling class, and its spokesman the Labour Government, like their counterparts in other Western European countries, are selling out to Wall Street the national independence of their country in order to preserve their own class position and privileges.

Do we want to put an end to our great heavy industries, to lose our technical skill, to become a nation of producers of luxury goods for the needs of the idle rich of the capitalist world? Do we want an American Administrator to control our budget? Do we consider, as do Bevin and Blum, that national sovereignty is “an outworn and outmoded idea”?

The path traced by Churchill, Attlee and Bevin is a path to the colonisation of Britain by the United States. If we wish to remain an independent country and not the 49th or 50th State of the U.S.A., we have to fight the biggest political battle of our lives. There is no middle way between colonisation and resistance to U.S. imperialism.

Today, as never before, the task of leading the defence of our national independence lies squarely on the shoulders of the working class, the Labour and trade union movement and every Labour M.P. prepared to wage a decisive fight.

The Communist Party will make its full contribution to solving the nation's problems in the best present and future interests of our country, and bring to a great people the sure hope of economic prosperity, a lasting peace, and a real people's democracy through which we shall advance to the final triumph of Socialism.

But if these great aims are to be realised, it will demand the unity of all labour and democratic people in common struggle to compel a complete change in Britain's policy and a new Labour Government based on the Left forces of the movement,

because the present right wing leaders in alliance with the Tory Party, Federation of British Industries and the imperialists of America, are leading Britain to economic chaos, increasing cuts, shortages, unemployment and war.

2. THE CONDITIONS OF THE BRITISH PEOPLE

THE Federation of British Industries, in their Memorandum sent to the Government at the end of August, outlined their policy for solving the crisis by lowering the living standards of the people.

Mr. Morrison praised this Memorandum for its "objective character." It proposed:

1. Reduction of £400 millions in capital expenditure.
2. Reduction in Government expenditure.
3. Increase in indirect rather than direct taxation.
4. Cut out the food subsidies.

A great part of this policy of the capitalist class has already been operated. The rate of capital investment at the end of 1948 is to be £270 millions below previous plans—under 15 per cent, instead of 20 per cent of the national income.

In the Autumn Budget 3s. was added to indirect taxation for every 1s. on direct taxes. While the Government has not so far reduced subsidies on food, it has undertaken not to increase them as prices rise, and it has already removed £33 millions worth of subsidies on utility cloth and leather, which has made for big increases in the price of boots and shoes and their repair, as well as clothing. Already the prices of bacon and eggs have risen since the food subsidies were "pegged."

The increase from $2\frac{1}{2}$ to 3 per cent in interest rates on local authority loans and on nationalised transport stock is likewise a concession to the blackmail of the City of London. The increased interest rate on local authority loans means, for example, that the ordinary tenant in a new Council house will pay another 1s. 9d. a week in rent for the rest of his life.

The cuts in capital expenditure are first and foremost cuts in the social programme and the modernisation of nationalised industries.

The Government's target for 1947 was 240,000 permanent houses. This was not achieved, but with the rising rate of building recently, it would probably have been fulfilled in 1948. The Cripps cuts mean a reduction to only 140,000 houses in 1949—less than half the pre-war rate of construction.

By mid-1948 there are to be only 21,000 building workers employed on the health services—including those on water supply and maintenance. This means there will be practically no build-

ing of hospitals or health centres, though of our 700 voluntary hospitals, at least 550 are too small to be effective. It is estimated that every year sickness costs the nation £300 millions. Yet the Health Centres which were a key proposal in the new Health Service are not to be built. Without them, there will be little improvement in the examination and treatment of working-class patients. Thus the new Health Service, for which we will pay increased contributions, boils down to an extension of the panel system.

No new educational building is to be started unless "the fullest use is being made of all available existing accommodation and no further improvisation is possible." This kind of improvisation condemns little children to spend their school days in dirty and damaged buildings, church halls and the like, or in the 753 "slum" schools blacklisted in 1943, and to be taught in classes of 50 or over. As for nursery schools, they are not to be built at all. In the field of further education, "all major proposals" for building are to be deferred.

This means a deterioration instead of an improvement in the general standard of education. It postpones indefinitely the training of qualified people which is essential for the modernisation of British economy.

The Government is already cutting even the inadequate factory building already planned in the Development Areas. These districts are going to be even more distressed than they were before the war.

In the mines and railways, the cuts mean carrying on with out-of-date plant, machinery, locomotives, and slowing down the building of pit-head baths.

An essential part of the employers' strategy is the deliberate creation of unemployment which will make it possible, they calculate, to reduce real wages. The F.B.I. has frankly stated that the cuts are needed so that the unemployed workers will "flow towards the undermanned industries"—which are also the worst-paid in many cases. This, they hope, will weaken the bargaining power of the trade unions and avoid the need for big wage increases in such industries as cotton and wool.

The capitalists intend that the present cuts in capital expenditure shall be only the beginning of the attacks on the workers' standard of living. Captain E. C. E. Smith, Chairman of the National Provincial Bank, made this perfectly clear at its Annual Meeting on January 20, 1948, when he said:

"Considerable progress has now been made in the descent to earth . . . and some of the promised prizes have been postponed . . . much effort is still directed towards shielding certain strata of the population from the effects of increased austerity. . . .

MEMORIALS OF THE HOUSE OF COMMONS
1947-48
"No decent active man should tolerate the idea that he exists to some extent on charity, and yet, for example, the man who enjoys better food in a works canteen is accepting material charity from those not so favourably placed. The subsidies which keep down the price of food are in part provided by the beneficiary himself, and for the rest paid for by his fellow citizens."

Succumbing to this pressure from its masters, the Government is now launching a full-scale attack on wage increases. Cripps expresses concern because of the "widespread character of wage increases" during 1947 when retail prices have remained "pretty stable."

What are the facts?

In 1947 the official figures show wage increases of £1½ million a week, or £78 million in a full year. But the two Budgets of 1947 put up indirect taxation by £240 millions. In January and February of this year there have been many price rises, like the £25 million on eggs and bacon, which add a further £60 million to the prices of consumer goods. Thus we have increases in the prices of consumer goods amounting to £300 millions, most of which falls on the working class, against wage increases of £78 millions. Thus the falsity of the Government's argument is shown by their own figures.

The food cuts mean that the average consumption per person in Britain is cut from 3,000 calories a day before the war to 2,700 now—a cut of 10 per cent. This reduced food supply is not equally distributed among the people according to need, and in many of the poorer families who cannot afford to eat away from home malnutrition is again making itself felt.

The Government now make great play with their policy of freezing prices. Yes—and at a level which already is responsible for working-class women being worried to death trying to make ends meet. The rapidity with which the notorious Federation of British Industries has agreed to co-operate with the Government in this policy is the proof that it will help the capitalists more than it helps the workers.

It is no new policy either. It was tried by Blum in France and proved a ghastly failure. We need to be on guard against further demagoguery that profits are also going to be frozen. Again, at what level? It is necessary to put this question quite sharply for profits today are running at an all-time high record.

The Government, however, says nothing about a more strict control on the organisation and distribution of supplies, without which many loop-holes exist for dodging further forms of price-control and profit.

Prices can be frozen at a level which will permit housewives to buy what goods are available, but only by reducing profits.

The Government argues that if wages are raised to meet rising prices, prices must rise further. This is not true if profits are cut. Cripps upbraids the workers because wage rates have risen by 5 per cent in the last year. He does not say one word about the fact that net profits, after tax, have risen by 24 per cent in this time, from £175 millions to £217 millions for 2,005 companies. Since 1945, wage rates have risen by 16 per cent, net profits, after tax, by 39 per cent.

The textile employers who resist wage advances have done nothing, despite the Working Party's recommendations, to re-organise and re-equip the industry so as to use labour more economically. But they are making record profits. For 73 cotton spinning companies, mainly smaller mills, average profits rose from £9,812 in 1946 to £14,058 in 1947 (a rise of 43 per cent), and their average dividend from 12.5 to 14.7 per cent. This level of profits is the highest since the boom of 1918-20 after the 1914-1918 war. The Lancashire Cotton Corporation alone has raised its profits by £380,000, i.e., 45 per cent. And now because the cotton spinners have got a wage increase of 10/- a week, the employers immediately claim that prices must be raised "because of rising costs." The truth is that, despite these "rising costs," prices could and should be lowered, not increased. But Cripps does nothing in this direction—he is too busy refusing equal pay for equal work and telling the textile workers that a woman earning £3 a week has no right to ask for more.

As for coal—a tremendous amount of political capital is made out of blaming the miners' wages for the increased price of coal. No one asks how it comes about that coal which costs £2.10s.0d. to £2.15s.0d. at the pit-head costs over £5 a ton by the time the householder gets it—thanks to the racket of private coal distribution and the exorbitant compensation the Government is paying to the former coalowners. The Government refuse to raise the surface worker above £5 a week; they expect men to risk their lives underground for £5.15s.0d., and then they wonder why they don't get enough men in the mines. Yet if we had another 70,000 miners, it would mean another 20 million tons for export.

The Government has faithfully followed the advice of the F.B.I. and reduced direct taxation on profits, while indirect taxes, falling mainly on the workers, have been increased by £240 millions a year in the two budgets of 1947—an average of 7/6d. a week per family.

It is argued* that real wages must be lowered in order to make our export prices competitive. This is an old gag. It led to Baldwin's slogan of "The Wages of all Workers Must Come

Down" in 1925. They did, with a bang, and ushered in the permanent depression of British industry between the two wars and the deadly decline of our export trade. Wage cutting will not give us a prosperous export trade now any more than it did then.

The workers in the Labour movement will never tolerate the policy of reducing wages and living standards for the employers' benefit. A firm policy of defending real wages by the trade union, labour and co-operative movements will do more than anything else to compel decisive changes in the whole policy and composition of the Government.

3. HOW TO SOLVE THE CRISIS

THE bankruptcy of the Government's measures to solve the crisis has now been finally exposed in the latest White Paper on the Balance of Payments. If the drain on the dollar and gold reserves continues at its present rate, they will be completely exhausted by the middle of the year, bringing about the danger of the complete collapse of the ordinary mechanism of normal trading. Such Marshall "aid" as may be forthcoming, even if it came before this collapse, will not remove the causes of the crisis in the balance of payments but only postpone for a limited period the time of the collapse. Only a fundamental change in economic policy along the lines we suggest can permanently solve Britain's crisis.

The one clear aim of the Government's economic policy for 1948 is to increase the amount of exports to a point where they will balance imports at an austerity level. Even within this overall balance, there will be a deficit of £300,000,000 with the dollar countries.

Our basic objection to the Government's export plans, however, is that they are based on the robbery of the home market. They will reduce the amount of new machinery and equipment available for home industry, they threaten our clothing rations and the home supply of consumers' goods.

This is the result of the Government's foreign policy of retaining large armed forces, thereby depriving industry of much-needed labour.

How will the home consumer fare under this programme? The Government aims to maintain the austerity level of food consumption to which we have now been reduced. As the price of imported food rises, it is to be passed on to the home consumer.

The existing clothing ration will only be maintained if there

is an increased output per worker in the cotton industry—an increased output on the basis of the existing equipment.

The amount of home-produced food cannot be greatly increased so long as the labour force in agriculture remains at its present low level.

• How far is British industry going to be re-equipped with new modern machinery and equipment? This is one of the crucial questions of our time. We could put up with austerity if we knew that our industries were being re-equipped with a great flow of new machines, for this could be one of the guarantees that the austerity of today would give way to the abundance of tomorrow.

But this is not happening. Some of the most backward industries technically, like cotton and wool, will, under the new capital cuts, only receive the tiniest trickle of new equipment. The British textile machinery industry—which supplies equipment for the cotton and wool industries—is producing at the rate of £35,000,000 per year, of which £27,000,000 per annum is to be exported by the end of 1948. Thus our textile machinery industry will be engaged in re-equipping every textile industry but our own.

In *Britain's Plan for Prosperity* we have shown that it is possible at one and the same time to have more workers on exports, more on capital development and more on the production of food and consumer goods than ever before.

We advocate a number of proposals which would transform the situation.

The first is to reduce the armed forces to 500,000, i.e. almost 700,000 less than in October 1947; to apply the principle of equal pay in order to induce more women to return to industry; and give special inducement to young workers to enter the basic industries and stop the drift of young people from Scotland and Wales.

By these methods we should be able to increase the labour force in industry by 750,000 by mid-1948, and by 1,000,000 by the end of the year.

Our demobilisation policy is based on the assumption that we are not being threatened militarily by any major power.

Surely that is a reasonable proposition on which to base a demobilisation policy which would yield such excellent results for our economy.

On this basis we could build up the agricultural labour force from 890,000 to 1,010,000 this year. Mining from 720,000 to 760,000, cotton spinning and weaving from around 260,000 to

310,000, woollen textiles from 186,000 to 200,000 are all possible this year.

Our Plan states:

"The policy of limited direction is no substitute for a wage policy. It is not merely a question of getting workers into an undermanned industry. It is a question of keeping them active and contented when they are there. Hence, despite limited direction, improved wages and conditions in unattractive industries are absolutely imperative."

We challenge the Government and the capitalist class, on the basis of their present policy of retaining large armed forces, to show how it is possible, after allocating increased manpower to exports, to keep more workers than pre-war on capital development work and at the same time increase the numbers engaged on the production of consumers' goods.

When the Government is pressed on this question it brings forward a new excuse. It is useless to increase the labour force and the capital programme, it argues, because we are short of vital raw materials like steel.

There are two ways of regarding bottlenecks which arise in a concerted production drive. You can pretend that a given shortage—say steel—is an unalterable natural fact and you can cut down your programme to conform to that fact. That in essence is what the Government is doing today. The alternative is to treat those shortages as a technical and political fact which can be changed by organised effort, and you can proceed to eliminate them so that your entire programme can go forward on a massive scale.

If we are serious about overcoming Britain's crisis, we ought to nationalise the steel industry by emergency decree and proceed to make adjustments such as will yield the maximum in the short run. What is needed in 1948 is not so much the leisurely construction of integrated steel plants as an attack on the weak points of the industry in the form of:

The speediest possible construction of new blast furnaces and coke-oven batteries.

Improvements in furnace practice, the increased use of oxygen at the melting stage.

A great scrap collecting campaign throughout the country.

On this basis it should be possible to get from 15 to 15½ million tons of ingot steel this year.

Coal supplies will be sufficient for the needs of home industry, and there need be no further hold-up of production on that score. It is essential, however, that coal exports shall not be disposed of as the U.S.A. dictates, but shall be used to obtain in exchange vital foodstuffs and raw materials, such as steel and timber, which are now in short supply.

Next to an adequate manpower and materials policy, we need a large-scale capital development programme concentrated on the most vital industries. These can only be fulfilled if there is effective State control of the engineering and building industries.

The ordered re-equipment of British industry, speedily and on a vast scale in peace-time requires controls of the engineering industry as firm as those enforced during the war. Yet the Government—while chattering about planning—has permitted this industry to be decontrolled, with the result that there has been a free-for-all scramble for capital equipment.

In this scramble essential industries have been elbowed out of the queue by the less essential. Instead of the concentrated re-organisation of the basic industries, re-equipment has been spread over all kinds of industry, irrespective of their importance for national recovery. In consequence, little bits and pieces of re-equipment have been spread over all industries at an exorbitant cost, and steel and labour have been wasted in building up production of motor-cars and electrical gadgets at the expense of goods more urgently needed at home and abroad.

Without control of the engineering industry there is no means of ensuring:

(1) That an adequate amount of capital development will be undertaken at all.

(2) That it will be concentrated on the right things.

(3) That there will be a proper balance maintained between capital equipment which gives quick results; for example, tractors and textile machinery and capital equipment, like the construction of new generating stations, which only yields results after several years.

The Ministry of Supply must take steps to ensure that the equipment programme of the nationalised boards, and of privately-owned basic industries like textiles, agriculture and building are allocated to the most appropriate firms with a view to the speediest possible re-equipment. The same should be done with regard to the orders for capital goods by foreign countries under reciprocal trade agreements. We need to reintroduce the licensing of new plant and machinery in order to check the production of inessential capital goods.

The Government's agricultural policy, while pouring millions of pounds into the pockets of land speculators, monopolists, distributors and middlemen, landlords and big farmers, cannot result in the necessary increase in home food production which is so urgently needed.

Production is not to be planned, and even direction of cropping, in respect of a vital crop like potatoes, is refused. There is no effort to attract British labour to the land by substantial improvements in wages and conditions. There is no campaign to

encourage co-operation amongst small farmers. No attempt is made to face the problem of the capital re-equipment of agriculture.

As a result of this policy, the wheat acreage will almost certainly be over a million acres less than in 1944, while livestock production declined in 1947.

The Communist Party demands the planning of food production by the issuing of direction orders for wheat, potatoes, sugar beet and linseed, and for the ploughing up of 6,000,000 acres of permanent grass over the next four years; special measures to assist small farmers, particularly through the encouragement of co-operation amongst them; an immediate substantial rise in the minimum wage; pending nationalisation of the land, a system of cheap loans to facilitate capital re-equipment; and drastic reform of the distributive trades.

At the same time, an extension of our trade with the Soviet Union, Eastern Europe and the Dominions could provide the feeding stuffs necessary to increase our home production of meat, milk and eggs.

Lastly, there is the problem of fighting the mounting inflation.

We are told by the Government that there is "too much money chasing too few goods"; that because of the export drive the supply of goods for the home market cannot be increased. As a result, the excess of money compared with the supply of goods sends prices up. Demands are then made for more wages to meet the rising prices, we are told, and in turn increased wages send up the prices again, and the spiral is on.

Certainly there's too much money around, but it's not in the hands of the workers, as we have already shown—nor the middle class, either, for that matter. The Government's White Paper on *Personal Incomes* deliberately creates the impression that the inflation danger is due almost entirely to the workers' demands for increased wages. Nothing could be more viciously untrue. The supply of money in the hands of the workers, after all the wage increases, has just been enough to enable them to buy the *same amount* of goods as before the wage increases.

If all prices were 100 per cent effectively controlled, then the increased money would not directly affect prices and would only show itself in rationing, shortages and queues—the inflation would be "suppressed." In practice, not all prices are controlled and the controls are not 100 per cent effective.

Inflation, therefore, shows itself in price rises of non-controlled goods—which we have seen includes machinery and plant—and in the growth of black markets in controlled goods. There is a rush of capital to the luxury trades, where prices are not controlled, and this creates a demand for new equipment, building

repairs, and so on, in these industries, which competes with more vital industries. These sections and others where price controls are ineffective make big profits and seek to attract labour away from more vital activities. The growth of inflation means the growth of the forces which are undermining the controls. In the end there grows up a situation in which all markets are black.

The increased demand may be for either consumers' goods or capital goods, or both. In either case, the first effect is to increase profits. It follows that every inflation is a profit inflation.

The main causes of the inflationary situation developing today are the huge increase in profits and the spending by the capitalists—individually or by companies—of the tremendous accumulations, the size of the armed forces, and the increased drive to export goods and leave less and less for the home market.

Bank deposits are swollen as the result of years of record profits (which in 1947 were running at 30 per cent above the wartime peak level). Even the *Economist* (17.1.48) had to admit that spending by the rich out of capital "makes a conspicuous splash in austerity conditions" and that spending by the capitalists out of business expenses "is very visible in the West End of London." The 1947 Autumn Budget leaves the total raised by Profits Tax at £370 millions less than the E.P.T. and N.D.C. of 1944, when profits were much lower. At the same time, capital expenditure by the big companies in many cases is diverting scarce capital goods to inessential purposes.

We demand two main ways of tackling the real inflation dangers. The chief and most easily applied remedy is the reduction in the armed forces, which cost £900 millions per year without any corresponding production of goods.

The release of armed forces and materials to increase the production of civilian goods would be the greatest single contribution to reducing inflation. A substantial part of the expenditure that is saved on the armed forces can be used to maintain and extend the food subsidies and prevent the rising cost of living.

Apart from this, the most important thing is to reduce the accumulation of excess purchasing power in the hands of those who have it—the capitalists—and by controlling new investments to prevent the diversion of resources to inessential purposes.

Price control must be strengthened and food prices pegged by increased subsidies financed by the measures which we are about to outline.

The basis must be a National Economic Plan, laying down priorities in the use of labour and resources, and providing the necessary controls to enforce them.

It is essential to reinforce such a plan by appropriate financial measures. Amongst the aims must be the maintenance of a real

and substantial surplus of income to be achieved by the taxation of the rich.

The following financial measures are absolutely essential:—

Control of bank advances in accordance with the plan in order to limit development in the less essential trades.

The limitation of the amount of dividends paid.

A forced loan of undistributed company profits. The loan to be repaid as and when capital developments on the part of a given company are sanctioned.

Increased profits tax. Higher rates of tax to be imposed on industries that the Government is seeking to restrict.

An annual Capital Tax on holdings of £10,000 and over.

Such a plan as we have outlined would not only solve our trade and balance of payments problems, but would result in a great flow of goods for the people—50,000 houses a year, a 60 per cent increase in the consumption of textile goods above the 1946 level, a 5 to 7 per cent increase in clothes compared with pre-war, and consumer goods 20 per cent above pre-war by 1950.

The obstacles to this are not technical, but political. We again warn that the Government policy is rapidly leading to a situation of complete economic chaos. The inflation problems of today can rapidly develop into problems of economic slump, unemployment and further misery.

The fight to change the Government and the fight for our programme are two sides of the same medal. Only a real Left government determined to break free from America and wage the most bitter fight against the class enemy at home, could put such a programme into operation. The fight for economic controls and an economic plan is the fight for the defeat of the capitalist class forces and for a policy of solving the crisis in the interests of the people. It will only be won to the extent the working class develops the greatest mass movement and actions for this class policy. Unless this is done, there will be still greater economic chaos, disruption and mass misery.

4. THE MARSHALL PLAN

SPEAKING in the debate on foreign policy on January 22, Mr. Bevin said:

“There is no political motive behind the Marshall offer other than the over-riding human motive to help Europe to help herself.”

The facts speak otherwise. The over-riding motive behind the Marshall Plan is not to help Europe help herself, but to help the American financiers and industrialists to help themselves to Europe's markets, strategic raw materials and overseas

colonies, and to build up a Western Bloc war base against the Soviet Union and the new democracies, with politically subservient Governments in each of the 16 "Marshall" countries.

At the Paris Conference last summer, the representatives of the 16 nations were permitted to amuse themselves setting up imaginary targets and praising the generosity of the United States of America. Yet their "shopping list," as it was cynically called in the U.S. press, was soon drastically amended, and from the fulsome praises of Bevin and Blum, the Marshall Plan emerged for what it really was—an instrument of U.S. foreign policy.

At the moment the U.S. Congress is being asked to authorise \$6,800 millions for 1948-49. Any further sums will be decided from time to time as the Americans think fit. In other words, no Marshall Plan in the form of a complete total any longer exists. Congress will dole out such sums as it decides year by year, and thus a perfect instrument of blackmail and pressure has been evolved which can be used in case any countries turn nasty.

There will be complete and exclusive American control. An Economic Co-operation Administration will be set up in Washington. Periodically European countries will submit statements of their needs. These will be examined, first by American Economic Co-operation officers in each country (we will have a Dollar Gauleiter in London), then by an American Ambassador at Large attached to the permanent European Economic Co-operation Organisation, and finally submitted to the chief of that Organisation in Washington. It will be up to him to decide whether funds should be extended, and if so, how much; whether as a grant or loan, and whether the money should be spent inside or outside the United States.

Each country receiving aid will be required to pledge itself:

- (1) To organise production in industry and agriculture in accordance with American wishes.
- (2) To stabilise its currency and maintain proper exchange rates.
- (3) To reduce trade barriers with other participating and non-participating countries.
- (4) To agree to the full use of the resources of all participating countries and to make efficient use of all goods and services provided.
- (5) To stimulate the production of specific raw materials, and facilitate the procurement of such materials by the United States for stockpiling purposes.
- (6) To deposit in a special account an amount of its own local currency equivalent to the amount of aid furnished in the form of grants, to be used only in the manner agreed on with the U.S. Government.

(7) To publish at home, and furnish to the United States, details of the use made of all aid.

American Big Business is to be encouraged to set up new factories and plants in Britain, France and the recipient countries. The chief of the organisation in Washington will also be empowered to guarantee to these American companies the right to convert their profits into dollars.

The goods required for capital re-equipment and raw materials which would strengthen the economies and therefore the independence of the countries, are cut sharply and the proportion of food and consumer goods, the typical export surpluses of American big business, are increased.

The 16 nations asked for \$400 millions of steel-making equipment. The Americans considered the plans for increasing steel production to be excessive and cut this to less than half. They refused to export any scrap, millions of tons of which were asked for, and will supply only one-fifth of the steel which was requested. On the other hand they will supply $2\frac{1}{2}$ times the finished steel goods requested, thus increasing dependence on U.S. industry.

Shipbuilding programmes were also considered excessive and cuts have been ordered by the Americans. Instead, 300 unsatisfactory and slow United States ships have to be purchased or chartered for dollars, thus fulfilling the main demands of American shipping industries.

Only 19 million tons of grain will be supplied in the first 15 months against the 30 million tons requested. In particular Britain's meat requirements were dismissed as "unrealistic."

The allocations proposed are concentrated mainly on commodities, such as tobacco and dried eggs, which United States exporters wish to unload on the European market. The tobacco and dried eggs for Britain alone account for £262 millions of the £625 million aid spoken about as coming to us.

On the vital questions of steel and steel-making machinery, Britain is to receive just over £2 million worth a year or £8½ million over the four years, which is just one quarter of the cost of one modern integrated steel plant. Over the four years we are to receive 2,183,000 tons of steel, or less than a quarter of the total we requested. At the same time we have been ordered to cut down our ship-building industry, and Cripps has obediently followed out this order by cutting steel allocations by 20 per cent, which will throw a fifth of the workers in this vital industry out of work. The American aim is to keep Britain's steel industry down, supply a trickle of raw steel and no scrap at all, and thereby keep our engineering plants in a

state of continual steel famine, while getting orders for the American machinery and electrical machinery industries, which now, with the American replacement boom coming to an end and slump threatening, will have increasing quantities to dispose of.

The right is taken by the Americans to interfere with other countries' budgets. Thus the U.S. is likely to claim a say in the disposal of monies received by the recipient countries for the sale of Marshall goods, and to insist that the international exchange value of a country's currency should be fixed at the level which would best suit U.S. interests.

Commenting on this, the *Economist* (10.1.48) wrote that:

"If these Trust funds were taken out of the control of the local government, it would be surrendering an important part of the reality of its sovereignty as well as the appearance."

This of course is exactly what is intended.

In the Interim Aid agreement with France and Italy it has been expressly laid down by the United States authorities that if a Communist Government comes to power in France or Italy, even though on a basis of an elected majority, the aid shall be immediately stopped. Thus dollar pressure is being used to dictate the form of Government in European countries. The Truman Doctrine is even more open in declaring the right of armed intervention, through the dispatch of arms, subsidising reactionary governments, sending of military missions and even of troops, for this same aim.

The Marshall Plan is directed to subordinating the foreign and strategic policy of the recipient countries to United States war aims. In return for aid, recipient countries will be expected to bring their foreign policy into line with that of the U.S.A., maintain such a level of armaments as the American military chiefs consider suitable, arrive at regional military agreements on lines approved by the U.S.A., and possibly give over portions of their territory as military, naval and air bases. Strategic raw materials are to be made available for American stockpiling. The United States Secretary of Defence, Mr. Forrestal, in the Congress hearings on the Marshall Plan, has openly stated the aim to "integrate the defence forces of the sixteen recipient countries" under American control.

The Communist Party therefore calls upon the British people to reject the Marshall Plan, which economically takes away more than it gives, and politically is a menace to national independence and the peace of the world.

5. BRITAIN'S FOREIGN POLICY

ALL pretence that Britain is pursuing an independent course, "neither tied to the United States nor to the Soviet Union," as Ministers used to claim, has now been abandoned. Britain is openly ranged in the imperialist camp as the willing accomplice of the United States. Labour Ministers have thrown off the mask and come out in full support of Churchill's Fulton policy, which called for an Anglo-American military alliance for war against the Soviet Union.

The London Conference of Foreign Ministers, which had the task of drawing up the draft Peace Treaties with Germany and Austria, was disrupted and brought to a precipitate end by General Marshall with the active support of Bevin and Bidault. The Soviet Union had put forward clear and positive proposals for the establishment of a united democratic Germany, for the economic restoration of Germany on a peaceful basis, and for the fulfilment of Germany's obligations on reparations. These proposals were brushed aside without consideration by the representatives of the Western Powers, who were already committed to partitioning Germany and setting up a separate Western Germany under Anglo-American (predominantly American) monopolist control, as an integral part of the Marshall Plan.

In the same way, the Peace Treaty with Japan has been held up by the refusal to follow the procedure agreed to at Potsdam for the preparation of the draft treaty by the Council of Foreign Ministers. The United States seeks to impose its sole will in Japan, and to build up a reactionary Japan as its bastion and war base in the Far East, in the same way as it seeks to build up a reactionary Western Germany as its bastion and aggressive war base in Europe.

The American and British Governments have now proceeded to establish the puppet West German State as a separate State in all but name, with its capital at Frankfurt, thereby openly repudiating their Potsdam obligations. This partitioning of Germany arouses intense opposition from all sections of German opinion, and is only supported by such puppets of the Western Powers as the Schumacher—Social Democratic leaders and the agents of the Vatican. The intensity of this opposition has been shown in the support for the German People's Congress held at Berlin. It is significant that police measures are being used in the Western zone to prohibit and suppress the popular movement for unity.

From this platform we proclaim our solidarity with the German working class and people in their just struggle for a

united, democratic Germany, which will destroy once and for all the roots of German fascism, Junkerism, militarism and the big monopoly cartels, and thus end the menace of renewed German aggression.

The old propaganda, which sought to present the Western bloc as a kind of third alternative to association with the United States or with the Soviet Union, is now finally exploded.

On January 22, Mr. Bevin, the Foreign Secretary, opened the debate on the foreign policy of the Third Labour Government. "It was a terrific speech" proclaimed the Republican leader, Senator Vandenburg.

The Times (24.1.48) stated: "The State Department . . . took the almost unprecedented step of issuing a general statement of approval of Mr. Bevin's speech."

Mr. Churchill, congratulating his colleague Mr. Bevin, declared that "he could not help feeling content to see that not only the British but the American Government had adopted to a very large extent the views that he had expressed at Fulton nearly two years ago" (*The Times*, 24.1.48).

The Western bloc is nothing but an attempt to revive the Munich combination and Hitler's Pan-Europe in a new dress. It is an attempt to partition Europe, in order to bolster up the old capitalist order in Western Europe and prepare aggression against the Soviet Union and the new democracies in Eastern Europe.

Therefore, it is no matter for surprise that these moves are accompanied by the most reckless war talk on the part of Attlee, Bevin, Morrison and Churchill.

This violent and undisguised war propaganda of leading circles in Britain and the United States is not evidence of the strength of imperialism. On the contrary, it is evidence of the increasing desperation of the imperialists in face of the continuing advance and strength of the democratic forces throughout the world.

The provocative and interventionist policies of Anglo-American imperialism have not met with success. In Germany, the Western zone is in a state of economic and political chaos and bankruptcy, in contrast to the stability and democratic advance of the Eastern zone.

In Greece, the expenditure of hundreds of millions and wholesale dispatch of arms, military missions and troops has not succeeded in stabilising the hated monarchist-fascist regime. Britain has already spent over £113 millions in support of the Greek Royalists and Fascists.

In China, the corrupt feudal dictatorship of Chiang-Kai-Shek,

despite lavish American support, has sustained continuous defeats and is surely approaching its downfall. All Western Europe and America is in the grip of inflation, and the American imperialists watch with alarm the onset of a colossal economic crisis in their country which will threaten the very foundations of their system.

The way is also being prepared for bringing Franco Spain into co-operation with all countries receiving Marshall aid.

On the other hand, the democratic camp has been making signal advances. The economic triumphs of reconstruction in the Soviet Union, with the abolition of rationing, lower prices and higher wages, vast reductions in the expenditure on the armed forces, and the attainment of the pre-war level of production, despite the unparalleled war losses and destruction—all these testify to the superior strength and incomparable vitality of the socialist system. In Eastern Europe the planned economies of the new democracies have mastered the problems of production and stable advance, and indestructible foundations of democratic friendship and co-operation have replaced the previous age-old enmities and conflicts.

The establishment of the Provisional Democratic Government of Free Greece under the leadership of General Markos demonstrates the growing strength of the Greek popular forces in their heroic battle for national freedom and democracy. In China, the democratic armies are sweeping forward to the final victory of free China with all the mighty changes which this will bring to the whole future of the freedom struggle in Asia and the balance of world forces. Within the United States, also, the rallying of the democratic forces finds expression around the presidential candidature of Henry Wallace.

When, therefore, we estimate the new offensive of the imperialist war camp and the menace of a new world war, we must do so realistically and beware of overestimating the strength of the imperialist war camp. We recognise the full seriousness and dangers of the reactionary offensive led by American imperialism, and the drive to a new world war. But we have every ground for confidence in the superior strength of the democratic peace forces of the world, provided they act in unity and mobilise their full strength. The anti-Soviet campaign of Attlee and Bevin is not only to prepare war against the U.S.S.R. and the new democracies, but to undermine the faith of the British working class in Socialism, thus making it easier for the Labour Government to carry out its imperialist policy.

The fight against the war offensive needs especially to be directed to those immediate points where war and imperialist intervention is already in progress. The people of this country

have the most urgent responsibility to see that the present anti-democratic intervention in Greece is ended and British troops are brought back from Greece, from the Near and Middle East, Burma and Malaya, so that our decent British lads no longer have to carry out the dirty work of imperialism. The fight of the Chinese people, of the Indonesian Republic and Viet Nam, and of the Spanish people against Franco tyranny, calls for the support of all democratic peoples.

We must end completely the foreign policy based on the Anglo-American diplomatic and military alliance and the Western Europe anti-Soviet bloc. Britain must break with the imperialist camp and work in the closest co-operation with the Soviet Union, the new democracies in Europe and all the democratic forces of the world for the victory of national independence, democracy and peace.

6. THE NEW IMPERIALISM

AT the end of 1947, Attlee declared:
“If there is imperialism in the world today, by which I mean the subjection of other peoples by the political and economic domination of a powerful nation, it is certainly not to be found in the British Commonwealth.”

Let us see how things really stand.

Lenin showed that the essential features of imperialism were monopolies and the export of capital. It needs no long argument to show its continued existence in the United States. The most powerful industrial monopolies, merged with immensely powerful banks and led by a financial oligarchy closely linked with the State, are now seen driving forward with expansionist plans and vast exports of capital.

Today monopolies play a more decisive role than ever in Britain's economic life; their representatives still occupy the seats of power in the controls and throughout the State machine. The Bank of England has been nationalised—and its Governor, Lord Catto, remains as the most typical representative of imperialist interests. Catto built up his fortunes on the exploitation of the peoples of India and the Far East; one of the partners in the firm of Yule and Catto left an estate valued at £36,000,000.

British imperialism is still only second to American in the tribute which it draws each year from the exploitation of other peoples. We are told that British imperialist investments abroad were sold during the war. True, but they still total over £3,000 millions, drawing an annual tribute of £150 millions.

But, it is said, Britain owes other countries more than the total of British investments abroad.

We must look a little more closely at this use of the words Britain and British. British investments abroad are, with few exceptions, held by big monopolist interests, financial and insurance concerns, and millionaire investors, and it is they who get the tribute that is still drawn. On the other hand, the debts owed to India, Egypt, etc., are debts of the British Government, which has to pay the interest and eventually repay the principal. That is a division of labour which in itself is the hallmark of imperialism—the big capital interests draw the profits, while the expenses and debts are paid by the workers.

Our so-called “commitments” in the Middle East, for example, are bound up with the fortunes of the great oil monopolies, which carry on behind the protection of State military expenditure. Our commitments in the Sudan are not for the protection of the Sudanese people’s rights to independence, but to safeguard the profits of the Sudan Plantations Syndicate and similar interests.

Therefore no one should be misled by the humbug about British imperialism no longer existing. In India and Burma the strength of the national liberation movement has forced it to retreat, but it is holding on wherever it can, and it is striving to find new areas and new forms for its expansion.

To speak of the end of British imperialist aims and interests even in the Far East is to ignore the facts. The effective grip of British imperialism on Malaya continues unchanged. It is the same with the British banking and commercial interests in the Far East: for example, the Chairman of Steel Bros. mentioned in May of last year that directly and through their subsidiaries, their agency and trading activities were being vigorously pursued in India and Ceylon, Burma, Siam and Hong Kong. The Chairman of the National Provincial Bank spoke last month of business conducted by subsidiaries in India, Pakistan, Ceylon and Burma. All the big British banks built up in the Far East are still operating there.

Such retreat as there has been in British imperialist interests in the Far East has been balanced by considerable expansion in Australia, the Middle East, and above all, in Africa which is clearly developing as rapidly as possible in the strategic, political and financial interests of British imperialism.

The Labour Government’s political, military and economic policy in this region must be seen in relation to these imperialist aims, however they are dressed up with the “new look.”

From the time when it became evident that the British bases

in Egypt and Palestine were becoming untenable, British imperialist plans have concentrated on the development of an East African base at Mombasa. The Colonial Development and Welfare Fund is applied in these territories mainly to the extension of communications for strategic purposes, and not to improve the conditions of the people. The new East Africa base, with its naval base, port works, railways and military and air bases, will involve an expenditure of over £200 millions in the next ten years. The Labour Government's approach was summed up by Lord Dukeston—Charlie Dukes—in the House of Lords debate on Colonial Development, when he stated:

"We cannot dismiss from our minds the strategic problems connected with those areas of the Empire which are now being developed. . . . Wisdom lies in the direction of seeing that our development follows such a course that, should the challenge ever come again, we should be even more ready and better prepared than we were hitherto."

This is the modern version by a right-wing Labour spokesman, of the notorious Joynson-Hicks' challenge that "We won India by the sword, and by the sword we shall keep it." Only swords are out of date; today it is the atom bomb.

Those military plans, which go ahead at a time when the British working class is seeing its conditions worsened on the plea of the need for exports, are accompanied by large scale economic plans. While capital developments are cut in Britain, British capital is finding its way to South Africa, to Rhodesia and other territories. Barclays Bank alone reported to its shareholders that in 1947 it had made advances for enterprises in South Africa and Rhodesia of over £70 millions. Imperial Chemical Industries propose to set up a factory at Mikindani, a new deep-water port which is being built in Tanganyika at a cost of £4 millions. These are private capital investments, imperialist investments unashamed, in this period when imperialism is supposed to be extinct.

Let us now turn to the Government schemes for economic development—the much-boosted ground-nut schemes in East and West Africa, which are supposed to mark a new era in Britain's approach to the Colonial peoples. The Colonial Development Corporation and similar bodies are to provide large sums to develop agriculture and raw material supplies, especially in Africa. These schemes do not in any way mean the industrialisation of backward countries for the sake of their peoples.

In all cases they imply the creation of a proletariat deprived of any other means of living, and compelled to work at starvation wages so that costs may be low and profits high. In West

Africa great plantations are to be carved out of the people's land, by a different process from the Enclosures in Britain, but with the same object—the creation of a landless proletariat on a large scale.

It is of these schemes that Mr. Strachey said:

“ These enterprises are neither exactly Socialist nor exactly capitalist enterprises.”

What is their alleged “ socialist ” character ? That part of the capital may be provided from the Government sources. What is their capitalist character ? That directly or indirectly capitalist investors will draw the profits, that the Boards controlling the corporations will largely represent British monopoly interests in Africa, such as the United Africa Company; and that the whole enterprise is designed to provide British capitalists with food based on cheap labour and raw materials in order to enlarge profits in Britain. There is talk of African participation and the use of profits to benefit the African people at some indefinite period in the future, but the immediate years ahead, unless the whole policy is successfully challenged by the British and African workers, will see nothing for the Africans but new and more widespread forms of exploitation for the benefit of British imperialist investors.

If, then, behind the Labour Government's talk of imperialism being dead, we find in reality great new schemes of a strategic and exploiting character in British imperialist interests, how does it stand in regard to that field in which the right-wing Labour leaders so proudly boast of their superiority—political democracy ?

The position of the Africans in the territory of South Africa is notorious. No African can represent his people in Parliament; the Africans, forming the majority of the population, can be represented only by Europeans to the number of eight in a House of 150. But perhaps this is an independent Dominion, which the Labour Government cannot control ? Perhaps in territories under direct control by the Labour Government there is democracy for the Africans ? Labour Government spokesmen make great play with so-called unofficial majorities. But consider the new Kenya Legislative Council; of its thirty-nine members, only two represent the four million African inhabitants, and they are nominated by the Government. In Nigeria, a so-called unofficial majority is composed of 21 Africans nominated by the Governor, and only four Africans are elected. In South and East Africa the colour bar is found in its most revolting forms; the hut tax, poll tax and pass laws are used to compel the Africans to work in the mines and on the

farms; trade unions are barely allowed to exist, and strikes against the appalling wages and conditions are put down with the utmost brutality.

Such is the so-called democracy practised by the Labour Government, which claims that it has ushered in a new era in the relations between Britain and the colonial peoples.

On the contrary, in the strategical, financial and political spheres it is carrying on the policy of British imperialism, modified only to the extent that the exploited peoples compel the making of concessions.

We welcome the developing liberation and trade union movement of the African peoples. We call upon the British working class to give it every assistance and support.

Bases and commitments are still maintained in India. In Burma and Ceylon, Britain still controls the naval, military, and air bases, and exercises a financial stranglehold. In Iraq and Transjordan the "independence" is a fiction, the effective military and political control rests with Britain. British garrisons and military establishments are maintained in Hong Kong, Malaya, Burma, Ceylon, Aden, Transjordan, Iraq, Sudan, Egypt, Palestine, Eritrea, Somaliland, Gibraltar, Malta, Cyrenaica, Cyprus, Kenya, Tanganyika, Nigeria, Gold Coast and Sierra Leone (as well as Greece, Germany and Austria).

While the right wing Labour leaders glorify the British Empire and deny its imperialist nature, a small section of the British capitalists protest at the growing control of British economy by the U.S. trusts, and call for resistance to U.S. expansion by the restoration of the British Empire to its former strength.

The solution, however, is not to strengthen British imperialism in order to resist American imperialist expansion. There can be no return to the old privileged position of British imperialism, nor would that be in any way in the interests of the British people. The way forward for the British people and the peoples of the Empire lies in ending imperialist rule once and for all, and in co-operation of the peoples of the British Empire on really democratic principles, based on the right of self-determination of all peoples accompanied by measures to make this right a reality.

7. COMMUNISM AND ECONOMIC RECOVERY

WE Communists are accused of opposing the Marshall Plan for Europe because we wish to sabotage European recovery so that there will be still greater extension of misery in Europe. It has been left to Ernest Bevin to give this

lie official backing, when he said on January 23 that the Soviet Union and the Communists:

"thought they could wreck or intimidate Western Europe by political upsets, economic chaos, and even revolutionary methods."

Do the Communists welcome now, or have they ever welcomed, misery and chaos in Europe? The entire history of every Communist Party in a capitalist country is the history of a fight against misery, a fight against the employers and the profiteers, to improve wages and conditions, to avert starvation and misery, to get houses and education for the people, and to prevent wars.

Only by the ending of the capitalist system and the creation of Socialism can misery, chaos and starvation be finally abolished. But it is equally certain that only to the degree that we are prepared to fight for day-to-day improvements in the conditions of the people can we convince them as to the necessity for fundamental change.

We would gladly welcome American assistance to Europe on an ordinary commercial basis, without strings and without political conditions. We oppose the Marshall Plan because it is intended to distort European economy, hinder European recovery and subject Europe politically and economically to the United States of America.

In sharp contrast to the growing economic crisis and dislocation in Western Europe is the rapidity of recovery in the Soviet Union and the new democracies of Eastern Europe. In these countries the new people's democratic Governments have pursued a genuine working class policy. They have taken resolute action against their own capitalists, landlords and profiteers, divided the land among the peasants, nationalised the basic industries and resisted American pressure. They have organised economic order and Socialist planning, balanced their budgets and stabilised their currencies.

The speediest and most astonishing recovery from war devastation, unparalleled in the history of the world, was made by the Soviet Union in 1947. As a result of heroic efforts, Soviet production reached pre-war level. Nearly a quarter more foods of all kinds were produced in 1947 than in 1946, with about a third increase in textiles and light consumers' goods. As a result, the Socialist Soviet Union was able to abolish rationing—the first country in Europe to do so. These achievements are a tribute to the superiority of the Socialist system, a brilliant example of the Socialist labour enthusiasm of the Soviet workers.

In Yugoslavia, the first year of the Five Year Plan was accomplished 106.6 per cent in 1947. Over 250 miles of new

railways, 165 railway bridges, 5,300 new buildings, 450 factories and industrial establishments, 74,000 rural houses, 1,300 schools, 67 clinics and 600 miles of new motor roads were built in the year. Half a million men and women were taught to read and write, and wages were increased by one-fifth.

In Czechoslovakia, the economic plan was also fully carried out, and production now stands at 95 per cent of pre-war. Great progress has been made along similar lines in Bulgaria, Rumania and Hungary.

It is precisely these countries that are not participating in the Marshall Plan that have shown the quickest and most decisive economic recovery.

Compare the Marshall Plan with its crippling conditions, and its underlying war strategy, with the recent agreement between the Soviet Union and Poland. So strong is the new Soviet economy, so quickly has it recovered from war devastation, that it has been able to guarantee a credit of £350 millions to Poland—equal to half the value of all the “aid” which Britain is to get from the U.S.A. over 4½ years under the Marshall Plan. But there is a fundamental difference—the Soviet loan is given without any conditions aimed at destroying the national independence of Poland. On the contrary, it is designed to strengthen its economy and national independence.

In the Foreign Affairs Debate, Bevin accused the Soviet Union of “cutting off Eastern Europe from the rest of the world, and turning it into an exclusive self-contained bloc under the control of Moscow and the Communist Party.”

The facts disprove Bevin's words. The Soviet Union has signed trade agreements with Britain, Poland, Czechoslovakia, Finland, Iceland, Denmark, Sweden, Norway, Rumania, Bulgaria, Hungary, Yugoslavia, Holland, Turkey, the various Zones of Germany, and is negotiating a trade agreement with Switzerland. She is pouring wheat, feeding stuffs, manufactured goods, cotton, coal, iron and other ores, equipment and timber into various European countries. Twenty million tons of Polish coal was exported in 1947, mainly to the countries of Western Europe. The Prime Minister of Poland could say in 1947:

“The increase of our coal exports also means the increase of Poland's part in the economic rebuilding of European countries; it hastens the setting in action of many industrial plants which in some parts of Western Europe cannot operate owing to lack of coal.”

Czechoslovakia, the most technically advanced of these countries, only sent 12.5 per cent of her exports in the first half of 1947 to the Slav countries, 13 per cent to the dollar countries, 14.5 per cent to the sterling countries, and 60 per cent to others, and has trade agreements with 16 European countries.

The Soviet Union and the countries of Eastern Europe are making a substantial contribution to the recovery of Europe. Indeed, a special correspondent in *The Times* (10.1.48) could write of the development of the planned economies in the new democracies:

"The planners hope that this expansion will raise the standard of life over a large part of the (European) Continent hitherto maintained at primitive levels. In the immediate future it may help to ensure that the delivery of food and raw materials to West Europe reaches and surpasses the volume assumed by the Paris report to Mr. Marshall."

In connection with the economic crisis in Britain, it is the Communist Party, and it alone, which has advanced a definite programme for its solution. Neither the Government nor the Labour Party or the Conservative Party have advanced a definite economic programme. Our programme, *Britain's Plan for Prosperity*, shows how the British people can improve the equipment of the basic industries, raise the standard of life of the people and regain political and economic independence.

But when we make our modest proposals to alleviate growing misery, we are accused by the Labour apologists of "promising miracles." It is the Cripps-Bevin programme which is cutting food, stopping the building of the hospitals and health centres, cutting house building, cutting subsidies and raising costs and threatening increasing numbers with unemployment, which is making the lives of the people increasingly grim.

8. RIGHT-WING SOCIAL DEMOCRACY

WHAT is the essence of the theory and practice of the right-wing Labour leaders? Their theory is based on the denial of the class struggle. The path forward for the working class and the working people is to be achieved not in the struggle against, but in agreement with, the capitalist class. Capitalism, they say, will grow over into Socialism. "In human history," wrote that classic exponent of democratic Socialism, Ramsay MacDonald, "one epoch slides into another, individuals formulate ideas, society gradually assimilates them and gradually the accumulation shows itself in the social structure." (*Socialism and Government*).

The State is presented as a neutral force, standing above society and classes, loyally fulfilling the instructions of whatever party is elected as a majority, and the parliamentary majority is considered, by itself, as sufficient guarantee of peaceful, tranquil transition to Socialism.

Because of this theory the right-wing Labour leaders supported

the imperialist war of 1914-18, and their policy of class collaboration was carried forward by the MacDonalds, Snowdens and Thomases, by those who split the Triple Alliance in 1921, who betrayed the General Strike in 1926, who betrayed the Labour movement by passing over to the capitalist class in the crisis of 1931, and who obediently accepted their orders from Wall Street. The Attlees, Bevins and Morrisons refused Labour unity against fascism in the 1930s, expelled the Communists from the Labour Party, introduced the Black Circular, supported non-intervention in Spain, accepted the Munich capitulation, and refused to fight for the opening of the Second Front in the course of the recent war.

July, 1945, saw the great victory of the Labour Party at the General Election. But instead of drawing strength from the victory of the people, the Government saw only the need to conciliate and placate the capitalist class.

The Government refused to carry through, against the capitalists, those essential economic measures that could alone, by a radical social transformation of the country, lead Britain out of the deep economic crisis of British imperialism. They denounced as "totalitarian" the magnificent economic plans introduced in seven countries of Eastern Europe, and when at the end of last year the crisis deepened still further, they introduced the Cripps Plan to solve the capitalist crisis at the expense of the working class.

Attlee, Bevin, Cripps, Morrison and their ilk accepted with meek humility the capitalist State inherited from their predecessors, forged as an instrument of capitalist domination through long years of capitalist rule. They took over and maintained, lock, stock and barrel, the capitalist police, War Office, M.I.5, Foreign Office, Civil Servants, Ambassadors, Consuls, spies, financial jugglers, generals and admirals, and all the old and experienced cadres of capitalism. The Labour Government took over all the workers' enemies with their blind prejudices, their violent hatred of the Soviet Union and of British labour, their contempt for Labour Ministers, and their strong determination to maintain in power the class that bred them, formed them and put them into office.

"No sensible person thinks that a Labour Government should introduce the spoils system into foreign service," declared Noel Baker to the Bournemouth Conference of the Labour Party (1946). "If we had made immediate sweeping changes the whole thing might have broken down. But I must say that some of the members of the service . . . have rendered outstanding service in Washington, in Indonesia, in Egypt, in the United Nations and elsewhere."

The "outstanding service" rendered by the high-ranking

officials of the British State machine are services to the capitalist class, and not to the Labour movement. Their services in Washington, in Indonesia, in Egypt, etc., have not been rendered to the American, Indonesian and Egyptian people. In the long run it is the capitalist class, through their State machine, that controls, directs and forms the policy of the Labour Ministers, and not the Labour movement that directs and controls the policy of the capitalist State.

Thus Bevin, Attlee, Morrison and Cripps, the right-wing leadership of the Labour Government, are consistent both in theory and practice in their capitulation to their own capitalist class. By their very nature, they see the principal enemy in the class-conscious workers of their own country. For them, the enemy is on the left. In the same way, they hate the Socialist Soviet Union with a bitter hatred. They have become the organising centre of the whole of European right-wing democracy—Blum and Saragat, Schumacher and Prieto, Peyer and Schaeff, who aim at splitting the working class of their own countries. They oppose, calumniate, and try to disrupt the work of the Socialist parties of Italy, Poland, Czechoslovakia, Hungary, Rumania and Bulgaria, together with the Socialists of Eastern Germany, who see the main enemy as the Right, and work in close unity and co-operation with their fellow Communists and workers.

The right-wing Social Democrats, headed by Bevin and Attlee, call for the loyalty of the Labour movement, while they betray every ideal for which the Labour movement has ever stood. Loyalty to the Labour movement means struggle against capitalism. It means struggle to preserve the independence of Britain from American conquest; struggle to preserve peace. Loyalty to the Labour movement means consistent struggle for the unity of the Left, and against that small but influential group of right-wing leaders who are introducing into the Labour movement the theory and practice of the capitalist class.

While many sections of the movement are becoming increasingly clear about the actions of the right-wing leaders, there is danger that some may be taken in by the talk of the so-called leftists, Michael Foot and Crossman, in their attempt to deceive the organised workers that there is a "middle way" between "American capitalism" and "Russian Communism"; that there is a "third force" which can either stand between the two, or act as a buffer between them.

Is this "middle way" something new? Of course not. Even in 1921, when the Soviet Union stood alone as a Socialist nation in Europe, "left" Social Democrats like Adler, Bauer, Blum and Brockway formed the Two-and-a-half International to act as the "middle way" between the discredited Second International and the newly-formed Third International.

Where is it now? Where are they now? They had to give up the ghost in 1923, and again join forces with the old leaders of the Second International. So before long we shall see the new apostles of the new "middle way" and the "third force" joining hands openly with Bevin and Marshall. The antics of Crossman are already fully in line with this.

At the beginning of their campaign, Foot and Crossman tried to convince us that they were going to fight Bevin and the Americans, but now they've ended up as apologists for Bevin and Marshall.

In the recent parliamentary debate on Foreign Policy, Crossman congratulated Mr. Bevin on his Western Union proposal, and went on to "welcome the fact that the Opposition have accepted the idea" even although he admitted, as he spoke immediately after Churchill, "We do so with considerable embarrassment, after the speech we have just heard." He laboured away at the fairy tale that the Marshall Plan was different from the Truman doctrine, and then "warned" the House that the Western Union would only work on the basis of a planned Socialist economy. Of course, nothing is further from Bevin's mind than a planned Socialist economy, either in Britain or Western Europe.

There is one thing that the American millionaires have made crystal clear; that the Marshall Plan is meant to stop any advance towards nationalisation, a planned economy, or Socialism. Harold Stassen, one of the Republican candidates in the November Presidential elections, makes this clear enough in his new book *Where I Stand*, when he states:

"It would be a waste of dollars to spend them aiding governments 'going down' the Socialist or Communist path. . . . Britain is not yet largely Socialised, and the big question is what direction she takes from here on."

These so-called "lefts" and "middle way" advocates, like the Right, regard as the main enemy not capitalism, but Communism. As Crossman put it in his speech:

"The only way to save Europe, and in the long run to save ourselves, is to defeat the Communist offensive. . . ."

Such a line means alliance with capitalism against the working class of Europe and the Socialist and progressive States of the world.

9. THE FIGHT FOR A NEW LABOUR GOVERNMENT AND A SOCIALIST POLICY

THE significance of the capitalist policy being pursued by the Labour Government is now being understood and replied to by the organised workers. Matters have been brought to a head by the recent White Paper calling for the

freezing of wages, and the speeches of Attlee and Cripps in support of this reactionary policy. The central issue now facing the movement is to fight for a new Labour Government of the Left which will carry through a real Socialist policy.

The Communist Party pledges its full support to all those trade unions which have already tabled their claims for wage advances to meet the rapidly-rising cost of living, and warns them against passively accepting adverse decisions of Arbitration Tribunals at a time when the Government is clearly relying upon such bodies to reject the legitimate wage claims of the workers.

The growing movement of resistance to the Cripps Cuts on the part of the shipbuilders and builders, parents and teachers, and the people in the Development Areas; the fight of the Shop Stewards for adequate work to be given to the R.O.F.s, the opposition of the Co-operative Societies to any reduction in the food subsidies and for a stricter control of prices and profits, the opposition of a number of Labour Party Members of Parliament to the Wages policy of the Government; these are all evidence of the developing mass movement that can strengthen the fight against the anti-working class policy of the Federation of British Industries, the Tory Party and the Labour Government and pave the way for a real change.

The workers have recognised these as the outstanding issues of the day. They are not deceived into believing that the call for increased production on the basis of a reactionary policy as a whole is the way to solve the crisis. The way to solve it is to meet the legitimate demands of the workers, and make the capitalists bear the brunt of the crisis. Let the workers see that it is the capitalists, not their own class, who are being attacked, and then the fight for production will be seen in its proper setting—as a drive to increase the standard of living of the people and not to increase the profits of the British and American capitalist class.

The role of the General Council of the Trades Union Congress, as the leadership of the whole trade union movement, now comes into the centre of the picture. The last Southport Trades Union Congress took many important decisions that were in the interests of the trade unionists, but where is the national campaign in support of the policy laid down there on the National Economic Plan, the lowering of prices and profits, and the need to strengthen the W.F.T.U.?

Yet it is in the factories and branch rooms that the workers can best be mobilised and their mass pressure exerted upon the Government. If the General Council had carried out such campaigns, we are quite certain that already the Government would have been forced to change certain aspects of its policy.

The situation, however, is now so serious and urgent as to demand a recall of the Southport Trades Union Congress. It is not enough, in the present situation to discuss the calling of a conference of Trade Union Executive Committees. The workers from the mines and factories have now a right to be heard. It is their wages which are at stake; it is their wives who are being harassed to death trying to make the wages last from one Friday night to another.

Never have the trade unions had such an important and decisive role as at the present time.

In view of the type of speeches being made by certain trade union leaders, however, it is essential to recall what the basic function of the Trade Union Movement is.

A typical example of the statements I have in mind is that of Mr. Lincoln Evans of the B.I.S.A.K.T.A. in the January issue of *Man and Metal*. He wrote:

“Too many still see in their unions something that has no other purpose than to wage continual warfare, blind to the fact that with the growth and development of negotiating machinery, and the spirit and temper which alone can make it work effectively, the whole pattern of industrial relations has been, and is being, transformed.”

We would remind Mr. Evans of the fact that the development of negotiating machinery is itself a product of the struggle. There wouldn't have been any unless “warfare” had been conducted against the employers. As for the whole pattern of industrial relations changing, that change is only a reflection of the increased strength of the workers. In the final analysis, industrial relations depend today, as always, on the preparedness and strength of the workers to take whatever action they think necessary to win their demands.

It is also a deliberate policy on the part of the Labour Government, to which many trade union leaders are a party, to suggest as a new “alternative” a much more “statesmanlike” role for the unions, in the shape of “industrial democracy” and participation in joint machinery at all levels.

The facts are that the trade unions in this country have participated in joint negotiating machinery, trade boards, Whitley Councils and advisory machinery for years. We would also remind all concerned that the Joint Production machinery which developed in this country in the war was won by the rank and file in the teeth of the opposition of the employers. We would like to see much more effective power of control exercised by the workers in the factories and the Regional Boards than exist today. We would like to see the T.U.C. consulting with the Government more frequently—but to

advance a fighting policy, and not to act as apologists for the Cripps Plan and the like.

The main task and purpose of the trade union movement today, as always under capitalism, is to defend their members' living standards, improve wages and resist all worsening of these standards by rising prices. The fact that on this occasion the attack on standards is being launched by the right wing of the Labour Party makes no difference to this primary task of the trade union movement.

It is because we Communists will fearlessly stand by the unions in this fight, because Communist trade union militants are the best fighters for wages and conditions, that the Morgan Phillips circular was launched. This is a deliberate attempt to split the trade union movement, as part of the strategy of attacking wages and conditions.

We are proud that so many prominent trade unionists have rejected this attack, and that there is widespread realisation that such a course would be disastrous for the movement. We welcome the fact that in so many recent trade union elections, workers have demonstrated their understanding of this by once again electing fellow trade unionists who are Communists to positions of trust and responsibility in the unions. We are sure that these Communists will treasure that trust and never let their fellow trade unionists down.

We call upon our trade union members to be to the forefront in all our efforts to recruit to the unions, strengthen workshop organisation, build up attendance at Branch meetings and extend the trade union movement in every way.

The policy of the Right-wing Labour leaders, has also serious international implications. It is against the W.F.T.U. that reaction is now aiming some of its strongest blows.

The British Trade Union Movement, which did so much to bring the W.F.T.U. into existence, has the right and duty to fight against any attempt now to split it. The General Council is attempting to split the W.F.T.U. on the issue of the Marshall Plan. What other purpose can their resolution have when they know that the Russian, Polish, Czech, Hungarian, Rumanian, Bulgarian, French and Italian Trade Unions, the majority of organised trade unionists in Europe, are against the Marshall Plan? The T.U.C. is, therefore, joining with the arch-enemy of the W.F.T.U., the A.F. of L., in destroying world trade union unity. They do this without consulting the rank and file trade unionists in Britain, who will oppose every effort to disrupt world trade union unity. On the contrary, the rank and file will demand that everything possible should be done to unify and

strengthen its ranks so that the efforts of international reaction to lower the standards of living of the workers and drive them into a new war can be successfully defeated.

The trade unions provide the main finances of the Labour Party, and many of them also provide generous allowances to their Members of Parliament. The rank and file of the trade unions, whose contributions enable this money to be granted, should now demand that all their Members of Parliament fight for the same policy inside the Parliamentary Labour Party and Parliament as they themselves do in the factories and trade unions.

If the next General Election is going to be won, as it must be, it is also essential that those Labour Members of Parliament fighting against the present reactionary policy of the Government take that fight into their own constituencies and win mass support from all labour organisations in their constituencies. For at the General Election the workers will judge each Labour Member of Parliament by what they did to fight against the disastrous policy of the Government.

The whole struggle to secure a new Labour Government of the Left, and a new policy, should be the subject of continuous agitation inside and outside of Parliament, so that the workers will see clearly the alternative policy and leadership.

There are so many issues upon which the workers can now unite that a new impetus must be given to the organisation of every form of unity in action with all workers and working class organisations which are willing to participate. The wages question, equal pay for equal work, the need for speeding up the building of houses, schools, hospitals, new factories in the distressed areas, a reduction in the size of the armed forces, a great agitation against any reduction in food subsidies—a very important issue in some of the unions—and nearer the time for the new Budget, the demand for a stricter control of prices and profits to make the rich pay. All these are common demands which millions of workers will support if the effort is now seriously exerted to win them for common action.

The Labour movement is now at a turning point when there is need for the utmost clarity on the next steps. The main issue is the defence of working class standards against the Government's attacks. It is the task of every trade unionist and shop steward, every trade union branch, district committee and shop stewards' committee, to demand that their Executive stand firm and fight for wage advances to meet the rising cost of living. It is time for every Executive to insist that the General Council of the T.U.C. stand firm in this fight, and demand that the

Government puts into operation a real working class policy to solve the crisis in the interests of the people.

It is time for every sincere Labour Member of Parliament to rally the utmost opposition in the Commons against the Government's policy. If they will stand solid with the shop stewards and militant workers, they will rapidly build up their authority and backing from the mass movement for this stand.

Particularly do we make an appeal to the rank and file of the Labour Party in the D.L.P.s and the local Labour Parties. For they are the decisive forces of the movement. Now is the time to develop their pressure on the Labour Party. Such a stand now is vital if the movement is not to face the disaster which overtook it in 1931.

On behalf of the Communist Party, I pledge support and assistance to every forward fighting movement. I declare our readiness to unite with any section of the movement to fight for these demands. I call upon all our branches and members to do all in their power to create working class unity and to mobilise the invincible forces of the movement in this struggle.

The central task of the Labour movement is to win and mobilise all Labour supporters against the policy of the Government, for the dismissal of its right-wing leaders and the formation of a Labour Government of the Left.

To achieve this task requires the widest propaganda to explain how the Government's policy means disaster for the working class and for the country, and to popularise the alternative policy which we put forward.

Working class action can defeat the attempt to reduce real wages; it can win immediate wage advances to meet the rising cost of living.

Working class action can compel the Government to bring home the troops, in the first place those still in Greece, and to cut the forces to half a million.

Working class action can compel the Government to sign an important trade agreement with the Soviet Union that will guarantee the supplies we need.

There must be ceaseless agitation on every issue that affects working people, and every Party organisation and member must show increasing initiative in mobilising the people for political activity.

In this campaign, we must make exceptional efforts to win, and mobilise for united political activity, those widening sections of the Labour movement who are profoundly distrustful of the right-wing policy of the Labour leaders, but have not yet under-

stood that loyalty to the Labour movement requires determined and active opposition to, and the removal of, the right-wing Labour leaders. Everything depends on how rapidly the left in the Labour movement moves into action.

In the factories, our comrades must show the utmost vigilance in defence of wages and conditions; they must take the lead in strengthening the trade unions and securing 100 per cent organisation, paying particular attention to the organisation of women and young workers.

In our local branch activities, special attention must be given to the issues directly affecting women, such as prices and supplies, as well as to the general social issues of housing, health and education, where the hopes of the people are being frustrated by the Government's policy.

In factories and branches, in our work among professional workers and students, we must combine agitation on particular issues with ceaseless explanation of the central political factor—that the growing difficulties for the British people, the increasing dependence on America, and the threat of a new world war, are the result of the reactionary policy of the right-wing leaders of the Labour Government; and that, therefore, the first step towards overcoming our difficulties is their removal from the Government, and reforming of the Labour Government on the basis of the Left.

But there is also another great fight to be made if we are to carry out those tasks. It is the fight to make new members for the Communist Party and the Young Communist League, as well as new readers for the *Daily Worker* and all the publications of the Communist Party.

Many of you will remember, after Labour's great victory at the General Election, the gratuitous advice we received to dissolve the Communist Party. It was said it was no longer necessary; everything was a "rose garden" for Labour, where one only had to pick the flowers. A tiny few in our own Party thought the same; they are of that type that Engels had in mind when he wrote that:

"On the path to Socialism, at each turn, some fall back, cannot keep it up, cannot go any further."

Well, life, events, bitter experiences have proved that never was there a greater need for a more powerful Communist Party than now. Serious as the situation is for the people, it would have been much more serious if there had been no Communist Party in Britain.

This is well understood by the working people. They give this answer every day by joining the Communist Party. Despite the unprecedented attacks against Communists, despite the slanders, intimidation, forged letters, and victimisation, we proudly record that since October, 1947, no less than 7,000 new members have joined our Party. We extend to them a warm welcome. We are proud that they have taken their place in the ranks of the noblest army in the world, one that is devoid of careerism and opportunism, one that has only one aim, to which it dedicates its every endeavour, the liberation of the people from poverty, insecurity, unemployment and the fear of war.

May we remind our comrades, new and old alike, of the solemn words of Comrade Stalin, spoken at Lenin's grave:

"There is nothing higher than the honour of belonging to this army. There is nothing higher than the title of members of the Party whose founder and leader is Comrade Lenin."

Think well on those words. I know I do as I travel around the country, and however tired and worried, I take fresh inspiration from them and so can all of you here, and through you the whole Party.

Now allow me to make a special plea for recruiting young people to the Young Communist League. There has never, for one reason or another, been a mass Socialist Youth movement in Britain, but there has always been large sections of young people strongly influenced by the reactionary activities of religious and capitalist youth organisations.

What have we to offer young people? We have the world and its glorious future to offer. This is why our message, policy and aims should be brought before the young people. Those in their teens, and twenties; those in the schools, universities and factories; those are the potential architects of Socialism in Britain. Those are the people who will see the new Britain arise, who will see the end of the long night of capitalism and the birth of the new era of Socialism.

Let us appeal to them to come and work for it now. Let us inspire them with the magnificent principles of Socialism so that people of my age will also see the new dawn when power is in the hands of the working class and the new constructive epoch of Socialism has begun.

The comrades of the Young Communist League need our help; let us give it unstintingly and it will pay rich dividends in our ceaseless struggle for the new life and new social order.

10. THE ROLE OF MARXISM

IN an article written in 1913, Lenin was already able to note three main periods in world history since the publication of the *Communist Manifesto*. The first of them, from the revolutions of 1848 to the Paris Commune in 1871, he distinguished as "a period of storm and revolution," in which, through the heroism of the working class, the development of bourgeois reforms was completed. By the end of it, he said, "pre-Marxist Socialism dies; independent *proletarian* parties are born: the First International and German Social Democracy."

By contrast, the second period, from the Commune to the eve of the first Russian Revolution, was of a "peaceful" character: "The West has finished with bourgeois revolutions. The East has not yet grown ripe for them." Everywhere Socialist parties were growing up, learning to use bourgeois parliaments, establishing their own Press and strengthening the trade unions and co-operatives. But though, as Lenin said, at this stage "the teaching of Marx gains a complete victory and *expands in breadth*," at the same time "the dialectics of history forces its enemies to *disguise themselves* as Marxists. Liberalism, rotten to the core, tries to revive itself in the form of Socialist *opportunism*."

Lenin concluded his article with these words:

"Since the rise of Marxism, every one of the three great epochs in world history has provided it with fresh proof and has brought it new triumphs. But the coming historical epoch is holding in store for Marxism, as the teaching of the proletariat, a still greater triumph."

The opportunist illusions of social peace, of Socialism being handed to the workers on a plate as a reward for good behaviour, were rudely shattered by the violent upheaval of the Russian Revolution of 1905. It was followed by revolutions in Turkey, Persia and China; and before many years of this third period had passed, every country in Europe was involved in feverish preparations for the war in 1914. That imperialist war put an end to many Royal dynasties in Europe and prepared the way for the great October Socialist Revolution in 1917.

It is in the light of this "still greater triumph" that we are living today: the light of a new epoch in the history of the world. Today Socialism, predicted by Marxism as inevitable, has ceased to be merely a scientific *theory* and has become a scientific *fact*; the greatest fact in the whole history of human society.

The victory of the workers and peasants in Russia in 1917 marked the beginning of a *new epoch*, not only for the Russian people but for the entire world.

Since 1917 *nothing* can ever be the same again *for the working class*. Not only has monopoly capitalism ceased to be a single economic system dominating the whole world, but in the course of thirty years the new system of Socialism has proved itself to be the stronger.

We have seen the effects of this in the war against Fascism. We see it in the new people's democracies, who, because of the victory of 1917, are finding new roads to the achievement of Socialism. And we see it not least in the mighty upsurge of the colonial and semi-colonial peoples, who in their struggle to throw off the domination of capitalism, are taking another of the roads which eventually will lead to Communism.

The victory of Socialism has not only transformed the relation of class forces, it has also begun to transform people themselves; it has begun, that is to say, that long process which, when it is completed, will represent the greatest of all the triumphs of Marxism.

Compare this with Britain. J. B. Priestley, who so often reflects the thought of the common man, did a tour of Britain to write articles for the *Daily Herald* on the new Britain. He complained that he could discover no sense of drama, no spirit of adventure, no feeling that great things were happening. Quite so. Because nothing fundamental has changed in Britain. It is still the Britain of profits and subsistence wages, of master and man, of privilege and lack of privilege, of class and class.

It is the historic responsibility of our Party, of the Communist Party, to explain and make clear to all who work with hand and brain the real meaning of Marxism, and to give leadership in the class struggle in order that in the very process of the struggle, both the Party and the people shall be transformed.

But we shall not do this merely by paying lip-service to Marxism. We can do it only to the extent that we succeed in equipping ourselves, individually and as a Party, as Marxists. And this means that we must clearly grasp what Lenin meant when he said:

"Marxist theory . . . has only laid the corner-stone of that science which Socialists must further advance in all directions if they wish to keep pace with life."

For the fact is that in these thirty years that have elapsed since the first Proletarian Revolution, Marxism too, in confronting and solving the new problems created by living experience, has itself developed. When from time to time we Communists renew our policy in the light of changing circumstances and experiences, and frankly admit we have made certain mistakes and publicly explain them, what a hullabaloo goes up in the capitalist and Social Democratic Press.

Always the allegation is the same. "The Communist Party has been instructed to change its policy." Now the interesting thing to note is that those who make this charge never admit they have ever made a mistake, yet the present situation is the greatest condemnation of their mistakes. On the contrary, they try to ridicule the Communists, in order to cover up wrong policies and prepare further betrayals of the working class.

How well Lenin dealt with this question of self-criticism in *Left-Wing Communism*, where he wrote:

"The attitude of a political party towards its own mistakes is one of the most important and surest ways of judging how earnest the party is and how it in practice fulfils its obligations towards its class, the toiling masses.

"Frankly admitting a mistake, ascertaining the reasons for it, analysing the conditions which led to it, and thoroughly discussing the means of correcting it—that is the earmark of a serious party; that is the way it should educate and train the class and then the masses."

Let me state frankly that we shall continue to be guided by this thought in the carrying out of all our Party work, and all of us will find ourselves grow stronger in the process.

Just because this Twentieth Congress of our Party coincides with the Centenary of the foundation of Marxism, it is especially fitting that we should take stock of the extent to which we in Britain are in fact seriously contributing to the advance of Marxism. If we do this, I believe that there are none of us, from the members of the Executive Committee to the youngest delegate at this Congress, who can be satisfied. The most sincere celebration we can make of this Centenary, therefore, is to pledge ourselves to raise the level of our Marxist understanding, not only by greater educational activity and individual study, but also by improving the quality of our propaganda, both written and spoken, so that every worker can understand and appreciate it.

Never has the theory and practice of Marxism so triumphantly justified itself as in the times we now live in. But also never was it more necessary for all of us to make a closer and deeper study of the principles of Marxism than now.

Our Congress met almost to the day when the historic Communist Manifesto was first published. That great document of which the *Times Literary Supplement* recently wrote:

"That bourgeois society has been put progressively on the defensive in the past hundred years, that its fate still hangs in the balance, few today will deny; and until that fate is settled, until some new synthesis has been achieved, the 'Communist Manifesto' will not have said its last word."

In our lifetime we shall see the fate of capitalism is settled

precisely because millions of workers in this Centenary year of the *Communist Manifesto* will take renewed inspiration, and others greater political understanding, from a new study of this basic classic of Marxism.

I CONCLUDE my report on the same note as I began.

Our appeal is directed to the miners at the coal-face, the weaver at the loom, the spinner at the mill, the steelworker before the furnace, the fireman stoking the great ships, the ploughman at the plough, the driver on the locomotive, the housewife in the home, the doctor in his surgery, the draughtsman at the board, the teacher in the school, the scientist in the laboratory, the writer at the desk, the clerk in the office, and all young people, women and ex-Servicemen.

They have had enough of unemployment, high prices, shortages, wage reductions and frustration. They are outraged by the contrasts between rich and poor.

They are the people who think two wars in a lifetime are enough.

Ten years of war out of thirty! Years of trade depression between the wars; the rise of anti-Semitism and fascism, the agony of Spain, the memories of Buchenwald—all this is something terrible in the experience of mankind, and it has left its indelible mark on men's minds. The toll of war, the loss of men and women, of the flower of the world's youth, the mass suffering and bereavement, the interrupted careers, the loss to the world of new inventors and craftsmen, scientists and artists, painters and philosophers, can never be fully estimated.

Out of all this suffering has come a fierce resolve that the last war shall be the last war—that men and women shall know that their lives will be spent in peace, and they shall reap the full reward of their labours.

The present policy of the Labour Government is leading to war—not a just war in defence of Britain from some fascist or imperialist aggression, but an American war waged by the most aggressive world power against world Socialism, Communism and popular democracy, with U.S. weapons and with British men as mercenary soldiers and the British Isles as an atomic base.

In the chain of United States war preparations, the vast expenditure of military equipment and research, the string of bases throughout the world, the air bases and the fleet manoeuvres—the British people and the British Isles have been assigned an important role.

The retention of the present vast armed forces means so great

an economic weakening of Britain that its military strength becomes negligible. Bevin and Attlee's war machine could never fight a war for Britain's independence, nor is that its purpose. It could provide men and bases to fight an American war with American weapons, and it is for that purpose it is being retained.

No one but a handful of quislings and profiteers, who plan to leave this island and enjoy capital invested overseas, can gain from a third world war. The British people would lose their lives and their homes. From such a war the working people can only endure misery and suffering. The fight for peace has now become a burning issue not only for the Communist Party, but for the whole working class, and especially ex-Service men and women, young people and the women.

We Communists confidently call upon all men and women of goodwill to join us in our fight to give the people of Britain a new hope and perspective, by removing from power all those who are betraying the people and the nation, replacing them by those who believe in peace and Socialism, and who love the prosperity, happiness and security of the people more than the profiteers and warmongers.

For a lasting peace, a people's democracy and economic prosperity—this is the message our Congress sends out to the common people of Britain.

REPLY TO DISCUSSION

The Report which I presented at this Congress represented a collective piece of work made possible as a result of studying the hundreds of individual letters we received at the Party Centre, the Branch resolutions, the character of the discussion on the Executive Committee, and in the *World News and Views*.

Without all that collective assistance, ideas and suggestions, it would have been impossible for the report to be formulated in the way it was.

In the Congress there has been no opposition to the general line of policy which has been put forward, which is in itself a splendid tribute to the unity of thought with which our Party comrades are able to approach the difficult problems of our times.

Before our Congress there appeared to be an unprecedented interest on the part of the press. One had the impression that the newspapers expected some kind of political fireworks display here, and the adoption of adventurist tactics which would have provided them with a new weapon in their slanderous campaign against Communism.

The comrades who have spoken are not living afar from the workers; they are with them in the factories; they are on the doorsteps, and selling the *Daily Worker*, *Challenge*, and all general Party literature. They take an active part in Labour organisations, and therefore what they say is many times a reflection of thought and experience which comes directly from the rank and file of the working class. In this way we have listened to expressions which are in truth voices of the common people, people who are sometimes for our Party, often against our Party, but all of whom are worried and concerned about the nation's difficulties and what is going to become of it. No country in the world has a finer working class than we have. When sometimes we are apt to be impatient at the slow growth of our own Party, we must remember the special traditions which British imperialism created throughout the years while the Labour movement was developing.

The present situation has come as a great and unexpected shock to the masses of the people. We must understand this, so that we can find the best methods of approach and organisation to win the people for our cause. The situation arises out of the existence of the capitalist system. But it will do us no harm to remember the words of Engels in 1881:

"The fact can no longer be shirked that England's industrial monopoly is fast on the wane. If the 'enlightened' middle-class think it their interest to hush it up, let the working class boldly look it in the face, for it interests them more than even their 'betters'. These may for a long time yet remain the bankers and the moneylenders of the world, as the Venetians and the Dutch in their decay had done before them. But what is to become of the 'hands' when England's immense export trade begins to shrink down every year instead of expanding? If the removal of the iron shipbuilding trade from the Thames to the Clyde was sufficient to reduce the whole East End of London to chronic pauperism, what will the virtual removal of all the staple trades of England across the Atlantic do for England?"

"It will do one great thing; it will break the last link which still binds the English working class to the English middle-class. This link was their common working of a national monopoly. That monopoly once destroyed, the British working class will be compelled to take in hand its own interests, its own salvation, and to make an end to the wages system. Let us hope it will not wait until then."

(The Labour Standard, London, June 18, 1881.)

We do not make use of that quotation for any mere purpose of saying "we told you so," but to strengthen our fight for uniting the ranks of the working class in defence of its standard of living, and to prepare for further onslaughts of capitalism so that we may shape Socialism in Britain.

Mention was made in the discussion that the issue of increased production had not figured very prominently in my report. This is correct, precisely because the question of increased production cannot be separated from the general question of policy. We will, however, say a few words about it now, and try to make our position perfectly plain, in order that there shall be none of the slanderous allegations that the Communist Party is interested in impeding the economic recovery of this nation.

If the general policy of the Government is wrong, then to place the emphasis on increased production as a main line of solution, is also wrong, and if persisted in, has great dangers for the working class and the nation. It would mean tolerating policies and false methods of solution that can hasten the speed with which Britain is going to economic disaster. The Government put increased production as their principal method for solving the crisis, in order to cover up their anti-working-class policy as a whole. Thus, now to separate the production issue from that of the general line of policy would not only be trailing behind reaction, but helping it to prepare still greater attacks on the workers than those that have already taken place are contemplated.

Yesterday, for a reason that I cannot understand, the *Daily Herald* had as its main leading article a line in which attention was being drawn to the similarity of the speeches made by Lloyd George in 1919, and those being made by Attlee, Cripps and Morrison in 1946, and one of the quotations that the *Daily Herald* kindly gave the Labour movement was where Lloyd George said on that occasion "we shall never pay our way until we increase production in this country. If we do not now do that we shall be driven by the scourge of events later on, either to increase production, or to reduce the standard of living in this country to a lower level than ever."

Now the significance of that extract is not the similarity to what Cripps is saying, but its similarity to what Cripps is doing in exactly the same way that Lloyd George did at the end of 1919-20. Let me remind this Congress of what happened after the Lloyd George production drive on the basis of the wrong general policy which was being carried through.

By 1921 there had begun a terrific attack on the wages of the workers—the engineers and shipbuilders lost 26s. 6d. a week within one year. The miners were locked out for months for resisting the reduction in wages which lowered their earnings by 50 per cent. Practically every section of the organised trade union movement experienced heavy wage reductions. Unemployment grew to tremendous proportions. The first national Hunger March to London took place. The industrial areas of Lancashire, South Wales, the North-east Coast, Cumberland and the West of Scotland began to slide into mass unemployment and poverty that earned them the name of derelict areas.

Our Party then issued the slogan of "Stop the Retreat." The engineers were locked out; great strikes took place all over the country as the workers fought back against being hurled back into the conditions that existed prior to the war of 1914. Are we to calmly sit back and watch this process develop all over again, when by our struggle we can change the policy and composition of the Government? For unless this is done, let there be no illusions. This country and its Labour movement will be called upon to tread that same bitter road once again and will do so perhaps at a time when the entire capitalist world is involved in a great economic slump.

I want to emphasise again what I said in my report: the Government's economic policy cannot solve Britain's problems. But on the contrary, it will lead to greater chaos and economic disruption. The coming American slump will still more sharply emphasise Britain's crisis and deepen the economic chaos. This is what we mean when we say that the general crisis of capitalism is deepening.

In the light of these problems the slogan of ten per cent more production is deliberately misleading. Only a fundamental change in policy and a new Government can conduct and drive through that new policy to save this country from complete economic collapse.

The French miners and French metal workers after the liberation did miracles in the way that they increased their productivity. They received the unstinted praise of every section of the French press. Then the Communists, on American insistence, were thrown out of the French Government, and a wrong general policy was commenced that resulted in a situation in that country from which our Congress should draw the lesson. If you take the cost of living in France as standing at 1336, the wages of the French workers at the moment stand at the figure of 651. Let this be a warning to the British workers while there is yet time.

Where the policy as a whole is correct—that is to say, where it is working-class policy based on the interests of the workers by hand and brain—even in more difficult conditions than we have had to face, there can be great increases in every aspect of production, as the experiences of the Soviet Union and the new democracies so abundantly prove. There will be no need in Britain either to call for the workers to produce more when they know that the results of their production will benefit them and not the capitalists.

We will not call upon the workers to produce less, but will fight that they receive more of what they produce, and at the same time intensify the fight for a change in the policy of the Government.

Just a word or two on this question of self-criticism. The delegate was right who said that this was something that applied to the whole Party. Yes, we have made mistakes, comrades, and we shall make more. Parties which do nothing never make mistakes. But if we learn from the mistakes, there is not much harm done, providing we learn in time, and that is what the Executive Committee did in its December meeting. But in fighting the right-wing danger we must not fall into the trap of sectarianism and leftism, and that aspect of the question was neglected a little by the critics. Nor should we look upon Marxism as a dogma and not a guide to action, but I rather thought one delegate was in danger of succumbing to this when I listened to his speech this morning.

Let us remember that if our general line, either in the old period or in the present one, had not in general been correct, the capitalist press would not be launching the offensive against our Party which it is now. The present publicity the Party is

receiving is not for its news value, but because the political danger which it represents to the capitalist class.

The press tries to create an atmosphere of mystery about our Party, that there is some hidden hand, some foreign influence. I was tickled to death last Sunday to see the headline in *The People* that Stalin was too busy to bother about Pollitt, and I also wondered why the Editor of *The People* was bothered to do it for two weekends in succession. And sometimes it is the careless expressions of our own comrades which add the grist to the mill of slanders about our alleged foreign influences. We are in no white sheet of repentance, but promise to apply in our work the general guiding lines laid down in that section of my Report where we are dealing with the role of Marxism.

There is a splendid class feeling throughout the ranks of the workers. Unfortunately it is also tied up with illusions that still have to be destroyed. The workers do not want to do anything that in their opinion can in any way weaken the struggle against the Tories. They still confuse loyalty to Labour leaders with loyalty to the movement. We have to be most painstaking in the way we conduct our propaganda not to be impatient or to blame the workers. Such an approach would be a drift to leftism. One of the greatest problems is on the electoral field. The workers who will fight side by side in the factories and the trades unions have their own ideas on how to vote. They do not see that the struggle is a common struggle and that the Party which advances the correct policy in the factories and in the unions is the same Party which also advances the correct policies on the electoral field. But our main approach is faith in the working class, even when sometimes it looks as if they have no faith in themselves.

To some of our younger comrades let me say: if you think we make too many demands upon you, if you think our work is hard—what must it have been like for Tom Mann, Thomas Bell, Bob Stewart, Arthur McManus and Albert Inkpin in their time, when they first went to the street corners to preach what they called the gospel of Socialism, giving a glimpse of the vision splendid, lighting the torch, and making a few at a time see the dawn of a new world? It was such feelings as these that enabled these comrades, and all who thought like them, to stand the scoffing and scorn of people who little knew that in their lifetime the pioneers would see it come true in the Soviet Union.

So it will come true here in Britain and in our time.

If we were in power tomorrow we would not promise any miracles. There would be two years of real hard slogging work ahead. But at the end of that two years the end would really be in sight.

What perspective is there now? Only that given by the State Department of the United States of America that blandly tells us that in 1952 we shall still be heavily rationed for food and clothing and dependent upon that nation for money and the necessities of life.

Did we not give the use of machinery and power to the world? Whose Labour movement was first in the world and which has so profoundly influenced the Labour movements of other countries in the world? Are we to forgo all our gains of the past and our great hopes for the future for the sake of a handful of dollars? Of course not.

Let our Party go out on the greatest propaganda campaign it has ever undertaken. Make the policy of this 20th Congress the property of the common people. Develop a great pride in the Party and the Y.C.L. Make the workers want to join, just because they see that we Communists are fighting for economic prosperity, lasting peace and a people's democracy that can transform the entire situation—transform it in such a way that Britain stands firmly in the camp of peace and anti-imperialism, stands with its natural allies, those who think and feel like we do, those who want what we want, and those who have shown and are showing us what can be done once power is in the hands of the working class; those who are building up Socialism and giving their people the guarantee that never again shall poverty, unemployment and misery darken their lives, and that the whole native genius of their peoples will be dedicated to securing the health, happiness and well-being of their people.

These are our aims. These are your aims. Let us see that they also become the aims of millions of British people now standing at the crossroads of their destinies.

Our Congress must ensure that the turn is towards the Left, towards the solving of the crisis in the interests of the people, and towards the establishment of a Socialist Britain, free, strong and independent.

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