

# SOCIALIST APPEAL

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*The Marxist voice of the labour movement*

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# Tories Out



in **95**

**Defend Clause Four**

# Contents

- ◆ Editorial ....3
- ◆ Labour Movement News...4
- ◆ Tory sleaze... 5
- ◆ Sales/ Press Fund... 7
- ◆ Prospects for 1995..8
- ◆ Ireland...11
- ◆ Labour in Power.. 13
- ◆ Eastern Europe...19
- ◆ Greece/Belgium...20
- ◆ Colonial World Perspectives...21
- ◆ The life of Frederick Engels 25
- ◆ Art & Revolution..28
- ◆ Foundations of Christianity...30
- ◆ The Great British Tradition...31

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# Defend Socialism Defend Clause IV

**"Clause Four is a symbolic commitment to public ownership. The leadership wants to commit us to capitalism, to a 'dynamic free-market economy' - that's the aim of getting rid of Clause Four."** (Tony Benn).

The issues are crystal clear. The attack on Clause Four by Blair and the right wing of the Labour Party is an attempt to abandon socialism. They have completely embraced capitalism with open arms. This represents a complete break with the socialist traditions and aims of the party.

This attack has provoked widespread anger throughout the ranks of the Labour Party. In sheer disbelief, many have seen it as a complete diversion from fighting the Tories. As Bristol MP Roger Berry, pointed out: "In many, many years in politics I cannot remember anyone stopping me in the street and asking me about Clause Four." Already, more than half of all Labour MEPs have signed a statement defending the Socialist Clause. Tony Lennon, president of the media union BECTU, said "it's perfectly reasonable to defend Clause Four and if it's watered down or abolished, it will repre-

sent a fundamental shift in the party's vision." The building union, UCATT, has a policy to defend it "as it stands", while general secretary of the Bakers' Union, Joe Marino, was clear that "socialists within the party and trade unions will fight to defend Clause Four." He warned: "The party leadership's approach to Clause Four is similar to its attitude to trade unions. In both they are mistaken, Many trade unionists will seriously consider their position within the party if Clause Four is jettisoned and trade unions continue to be treated as an embarrassment best kept at arm's length." The attempt to throw out Clause 4 is not a means of bringing the party up to date, as the leadership says. As David Winnick MP explained: "the purpose is not to bring Clause Four up to date - and anyone who believes that is naive - it is to give a clear signal that we are no longer a socialist party."

Unfortunately, there are those on the left, like Tribune, that are prepared to go along with a revision of the constitution. This has the backing of individuals like Peter Hain, Clare Short, and Derek Fatchett,

shadow defence minister. However, their new version is very weak compared to the original. They talk about a "role for both market mechanisms and public ownership", which is nothing more than the old 'mixed economy'. This totally misses the mark.

Clause Four clearly means the replacement of a capitalist economy, based on private ownership, with a socialist economy based on public ownership. The capitalist economy is determined by the profit motive, while socialist economy is based on planning and production for need. Both are incompatible. The attempt to mix them, where the nationalised sector is subordinate to the private sector ('mixed economy'), means the domination of capitalism and the drive for profits. There can be no middle road.

Labour Party members and trade unionists must step up the our campaign within the Labour movement to defend Socialism as defined by Clause Four, Part Four.

Rob Sewell  
Dagenham CLP

## Keir Hardie's Vision of Socialism

**"That considering the increasing burden which the private ownership of land and capital is imposing upon the industrious classes of the community, the poverty and destitution and general moral and physical deterioration resulting from a competitive system of wealth production which aims primarily at profit making, the alarming growth of trusts and syndicates, able by reason of their great wealth to influence governments and plunge peaceful nations into war to serve their own interests, this House is of the opinion that such a state of matters is a menace to the well being of the Realm and calls for legislation designed to remedy the same by inaugurating a Socialist Commonwealth founded upon the common ownership of land and capital, production for use and not for profit, and equality of opportunity for every citizen."**

Bill submitted to the Commons by Keir Hardie  
23rd April 1901



# Conscience or no conscience

**"British capitalism has become capitalism with a conscience", says our new Moral Crusader, John Major. Seeking to deflect attention away from his scandal-ridden government, which has fallen to record levels in public esteem, Major urges his rich supporters "there was still more that business could do to improve its image".**

The problem is, the conscience of capitalism is determined by Rent, Interest and Profit. The profit motive is its driving force. However, the blind economic forces of capitalism have resulted in mass unemployment, increased exploitation at work, poverty wages, homelessness and despair for millions of people. At the same time, it has meant enormous wealth for a tiny handful of billionaires, who support and finance the Tory Party. What 'conscience' have these people? Their aim is to maintain and defend the capitalist system that gives them their wealth, power and prestige. That is the basis of their morality. No amount of "image" improvement will change this fact.

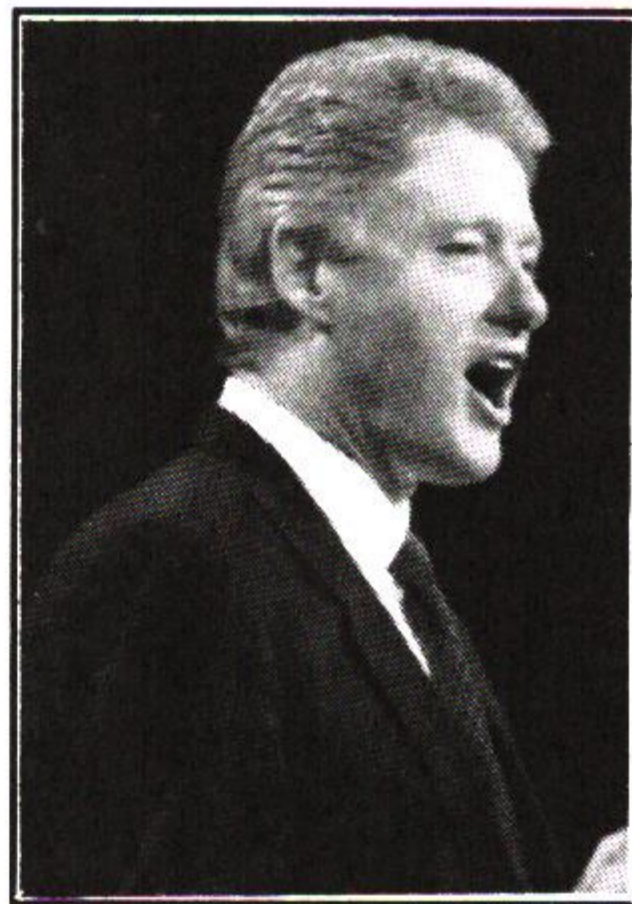
## Sleaze

Capitalism from its inception has gone hand in hand with sleaze and corruption. The task of the state was to keep it within 'acceptable' bounds. However, the frenzy of speculation and money-making over the last decade in particular, has forced up the levels of corruption to epidemic proportions. What we have see so far has been a tiny glimpse of the corrupt stench that pervades the corridors of power. It is endemic to the capitalist system of society, as is evident from the corruption scandals that have rocked governments across the

capitalist world. On corruption alone, with a concerted campaign, the Tory government could be brought down. It is the most unstable and unpopular government for a century. Unfortunately, the Labour leaders, instead of concentrating their fire on the Tories, have launched a bitter internal struggle to delete Clause Four, the socialist aims of the Labour Party. In this campaign, the right wing have the full backing - surprise, surprise - of the Tory press and media.

## Trade unions

They have been in the fore front of attempting to sever the links with the trade unions and push the Party further to the right. Their ultimate aim is to turn the Labour Party into the SDP Mark Two or Clinton's Democratic Party. In other words, a party that is no threat to big business and the capitalist system.



The right wing in the Labour Party, together with their 'spin doctors', look to the capitalist American Democratic Party with envy. Their object, if they could get away with it, was the Clintonisation of Labour. They saw this as the key to success. The issue was not only about policy, but "image". Well, the chickens have come home to roost for

the Clinton worshippers, with the shattering electoral defeat for the Democrats in the mid-term Congressional elections. Despite all the rhetoric and razzmatazz of Clinton, it was the Democrat's biggest defeat for 40 years. The reason for this is not difficult to understand. Leaving aside all the false promises, Clinton has presided over a continual fall in living standards and has failed to produce any "feel-good factor". Average hourly pay peaked as long ago as 1978 and has since fallen by 14 per cent, with no improvement even in the current upturn. The failure to introduce meagre reforms in health care and other reforms, has resulted in growing disillusionment. Given the lack of a Labour Party in America, the beneficiaries have been the Republicans. Peter Mandelson, the arch "moderniser", and Clinton flag-waver, dashed to the press to draw the lessons for Labour of Clinton's defeat. For him, it was not the failure to solve the problems of the American working class, but the failure "to develop an effective communications strategy"! According to Mandelson, "too many of the Clinton officials did not have the skill or the bottle to cope." The fundamental lesson was: "how to campaign, how not to govern". Labour must go into the next general election, not with bold socialist policies, but "clarity, consistency and conviction"! And this is supposed to be the recipe for our success in the election campaign and in government.

## Clinton

The right wing of the Party have learned nothing. The major lesson of Clinton's defeat, as the lessons of past Labour governments, is the impossibility of satisfying the aspirations of working people

in the confines of capitalism. This issue does not affect the US Democrats, which base themselves like the Liberals and Tories in Britain, on the defence of capitalism. For Labour, on the other hand, it is imperative take up the burning issues that face working people: jobs, housing, pay, pensions, etc. To give everyone a decent life, it is essential to return to policies based upon Clause Four of Labour's constitution. The next Labour government must not make the mistake of attempting to patch up capitalism, but must take over the 'commanding heights' of the economy, the banks, insurance companies and the major monopolies that dominate Britain.

## Socialist plan

A socialist plan of production could then be drawn up involving the trade unions, community organisations, tenants associations and others, which could use the resources of industry, technique and science to reduce the working week, abolish unemployment and boost living standards. Such a programme would guarantee a Labour landslide at the next election. The return to Labour's socialist roots would restore faith in the Labour movement and our supporters generally. It would generate colossal enthusiasm amongst workers and youth who have suffered at the hands of the Tories for more than fifteen years. Millions of workers are looking to Labour to solve their problems. We cannot afford to repeat the mistakes of the past in attempting to restore the fortunes of British capitalism. The crisis of the system must not be used as the excuse to abandon or water down our commitments to full employment or a national minimum wage. Such a road will lead to disaster. On the contrary, the crisis must be the very reason to implement bold socialist measures. Pressure must be redoubled in the Labour movement to defend Clause Four, and change the Party onto a socialist course. That is the only salvation for working people and their families. It is time Labour buried capitalism -

# Defend Clause IV Campaign

## London Launch Rally

Arthur Scargill and Stan Newens MEP were the main speakers at the launch rally held in London on 12

November to defend Clause Four. Getting on for 150 activists attended the meeting which was intended to launch a national campaign around the slogan: "Defend Clause Four—Defend Socialism".

Other speakers included Mick Nichols (NCU NEC member), Doreen Cameron (NATFHE President) and Lord Soper. The mood of the meeting was upbeat as speaker after speaker from the floor raised

the need to campaign to defend the socialist roots of the Party. As Arthur Scargill said from the platform: "I don't want to see this declaration of socialist hope and vision redrafted by middle class 'modernisers' who worship the concept of a market economy". He attacked the Labour leaders ("the Clinton Clones") for whining and dining the captains of industry when they should be meeting the unemployed. Scargill warned the meeting that the removal of Clause four was just the "thin edge of the wedge" so far as the right wing were concerned, with measures such as the renaming of the party to follow. Applause greeted his call for Labour not only to just win the next election but carry out "political change... including the common ownership of the means of production, distribution and exchange." The renationalisation of the privatised industries was also called for. Speakers from the floor made it clear that we should be fighting to defend Clause Four as it is, rather than entertaining any compromise replacement as has been suggested by some Lefts. Any additions should be treated as new clauses in the constitution rather than as replacements. A series of further meetings and rallies will now take place around the country.

Veronica Patterson  
Hackney South CLP

## Low Pay Scandal

The 1994 New Earnings survey carried out by the department of (Un)employment during April of this year makes for interesting reading! 25% of those workers on adult rates earn less than £204.20 per week and 30.5% less than £220 per week. This compares to the EC 'decency threshold' of £215.50 and the Low Pay unit's level of £203.07.

The figures for those under 20 are worse with average pay for those between 18 and 20 being £162.50 and £114.50 for those under 18. The report also confirms what most workers already know—that the rich are getting richer and the poor, poorer. The difference in wages between the bottom 10% and the top 10% has increased from 240% in 1979 to 320% today for full time male employees. Similar figures exist for other sections. A report in the FT stated that top directors are enjoying pay increases of 6.1% on average as against a national average of 3.75% (and much less for low paid workers). One trader in the City has seen his annual salary increase to an incredible £13.9 million! The story being peddled is that he 'earned it' (he works for a Japanese Bank) but the reality is that directors pay bears no relation to corporate performance as they claim. According to a report in the National Institute Economic Review (August 1994) Executive pay rose by 77%, allowing for inflation,

between 1985 and 1990 (as against workers pay which went up by 17%) and primarily came about through company sales increases caused by takeovers rather than organic growth. Bosses also benefited from the high dividend payouts that British capitalism likes to give out. These have increased 3 fold between 1985 and 1993 and didn't even stop rising during the recession. Needless to say investment has not matched this with capital expenditure falling from £23 billion in the first half of 1993 (and £28 billion in 1990) to £22.1 billion over the same period this year. The Inland Revenue has also stepped in with figures that show that the richest 1% of the population own 18% of the UK's privately owned wealth. The richest 5% have 35% of the wealth and 10% enjoy 47%. These figures cover data for 1990—it is being estimated that the amounts of wealth owned by these top dogs will be even higher in the next set of figures covering 1991 and 1992. The top 50% own 93% of the wealth and the rest of us a mere 7%. The figures also expose one other myth; that of the 'share owning democracy'. Apparently the top 6% of the population owned 88.7% of all shares (and 89.6% of all land) in 1990. Anyone who thinks that Clause 4 is not relevant after seeing these figures need their eyes testing (if they can afford it!).

By a low paid worker

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## Criminal Justice Act used against postal workers

The effects of the new Criminal Justice Act (CJA) have already been felt by postal workers in Swansea. A dispute arose following the suspension and dismissal 'without notice' of a worker who stopped work after doing a 9 hour shift without a break. He was charged by

management with 'willfull delay of the post' which so angered the workforce that some of the workers walked out straight away and others would have followed but for restrictions raised by the Tories Anti-TU laws. However, within minutes of the walk out, the police turned

up to say that under the CJA there could be NO ONE on a picket line as the pavement in front of the office was Post Office property! But given the mood of the workers, the dismissal has been reduced to dismissal with appeal which, incidentally, takes place just after the result of

the section 19 strike ballot is to be announced by the union. This case is just the first of many where the CJA will be used to attack workers in struggle unless the labour movement takes a clear stand against it.

UCW member

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After 15 years in government the Tory Party is sinking in an abyss of scandal and corruption. *Jeremy Dear* investigates..

# Tory Sleaze

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**The current malaise in the Tory party reminds you of the old joke. How can you tell when a Tory's telling lies? You can see his lips moving!**

Scandal after scandal has hit the front pages of the papers as the Tories have increasingly become identified as the party of sleaze in the minds of the overwhelming majority of workers.

Already Industry Minister Neil Hamilton and junior minister Tim Smith have been forced to resign after numerous allegations including that they accepted money for asking questions in parliament. Two other back-bench Tory MPs are also in the dock over cash-for-questions - Graham Riddick and David Tredinnick.

## Donations

Mohammed Fayed, the Egyptian financier set the cat among the pigeons after alleging he made payments to MPs and gave donations totalling £250,000 to the Conservative Party shortly after acquiring House of Fraser in the mid-80s after a long battle with Tiny Rowlands and his Lonrho group. The Fayed family are experts at "making friends and influencing people." Every year they send Harrods hampers worth up to £1000 each to MPs, senior police officers and key journalists. A glance at the MPs register of interests shows the vast majority do not register them even though they do not return them.

Tory minister Johnathan Aitken is alleged to have enjoyed a part-paid stay at the Paris Ritz without informing the prime minister of a possible clash of interests. Johnathan Aitken is

one of the richest Tory ministers, worth around £30million. Most of his wealth comes from Middle-East deals. Aitken was for years a director of a company called Bilad which has been named by the US courts as a possible transmitter of bribes to the Saudi Royal Family in return for helicopter contracts. Aitken has also failed to register his interest in a company called Fadace Ltd which he claimed was too small fry to worry about. Another of the directors is one Said Ayas, who it is alleged was the man who part paid Aitken's Ritz bill. The darling of the Tory Party Mrs Thatcher and her son Mark have both become embroiled in the intrigue and scandal which surrounds the party.

The press have alleged that Mrs Thatcher knew all about the Westminster "homes for votes" scandal but did not act to stop it - as if she would! (recent public hearings have also heard claims that Barry Legg MP was also a "driving force" behind the election-rigging policy)

## Allegations

Thatcher's son Mark is strenuously denying allegations that he received payments totalling £12 million on a defence contract with Saudi Arabia signed by his mother whilst she was prime minister. He already faces litigation under US anti-racketeering laws involving dealings in a Texas fuel company. However, there are also allegations that he won a commission in a £300m contract with Oman whilst his mother was visiting there on "official" business.

It has now also come to light that Michael Portillo had belatedly reported to the register of

members' interests the gift of a London-to-Amsterdam air ticket given by his wife's City firm. These are just the scandals that have broken in the past month or so. They are just the tip of the iceberg. Before this we had the lurid newspaper headlines of sex scandals as well as the Archer-Anglia TV share allegations where it was alleged that Jeffrey Archer had access to inside information about the business plans of Anglia TV of which his wife, Mary is an executive. Labour has also recently exposed goings-on during the Lloyd's names affair. They claim that tax write-offs worth £1.3 billion in lost revenue to the Treasury includes £9 million used to ease losses among 51 Tory MPs who are names. All this

without even mentioning the arms-for-Iraq scandal and the Scott enquiry!

Whilst these stories make the front pages of papers there is another more insidious sleaze going on. Since the Tories came to power they have taken away democratic control from health boards, local education authorities, training boards, development corporations and so on and replaced them with a growing number of quangos run predominantly by their people which are undemocratic, unaccountable and take away the rights of the users of the services.

## Quangos

The meetings of quangos are not open to the public unlike



those of council-run bodies and there is no obligation on members to declare their interests. Invariably the people appointed to these quangos are government nominees. Between them government ministers control 40,000 appointments. Baroness Denton of Wakefield, who is responsible for the appointment of 804 members of quangos admitted in the Independent on Sunday that she "can't knowingly remember" appointing a supporter of the opposition! Of the appointees to the new NHS Trust Boards a recent survey found that they are filled with people who have donated over £1.8 million to Tory Party funds.

Tory MP Nicholas Winterton even admitted while speaking on File on Four that "patronage today is more widespread than it has ever been in the history of our country...if you look at some of the salaries and fees that now are available for people that are appointed to these positions it is a major income. It isn't people coming forward as they have in the past wanting to serve communities, then just getting a very modest fee and expenses. The largesse of the government is massive. The power of patronage. Too many people are prepared to implement what their boss has said because they like, or need the job, they like the money, they like the status, they like the gongs."

### Boards

It is not only in the public sector that the Tories are involved in creating "jobs for the boys". You only have to look at the number of ex-ministers or MPs who now have places on the boards of private companies like banks and financial institutions or even recently privatised firms who received a helping hand from the minister concerned during their time in office! There's John McGregor, until July transport secretary, who is now with merchant bank Hill Samuel which is providing advice to the government on the channel tunnel rail link. Former Tory chairman Sir Norman Fowler who when he was transport secretary privatised the National Freight Company is now an NFC director. Then there's Lords Young and Walker who respectively privatised British Gas and

Cable and Wireless subsidiary Mercury and are now both on their respective boards, Lord Walker as chairman. And let's not forget Lord Tebbit who was the trade and industry minister who privatised British Telecom in 1984 and is now a non-executive director of the company.

### Exposed

The Financial Times also exposed another area of Tory sleaze - party funding. Just a few months ago we had the saga of Michael Mates, the watch and Asil Nadir and now the FT claims the Tories received tens of thousands of pounds in secret contributions from a merchant bank with close links to the Kuwait government. According to documents obtained by the FT, the bank, Robert Fraser and Partners, was financed to a substantial extent by a Panamanian corporation, Blackford Holdings, which itself received about £100m from the Kuwait government. Robert Fraser and partners

Prem Sikka in Tribune analysing the party's 1994 annual accounts says: "One might have thought that a party claiming to have democratised others would embrace greater accountability about its own affairs. But no. There is absolutely no information about the donors. Most of the £9,372,000 is likely to have been donated by companies without express approval by the shareholders, employees or pension scheme members...The accounts are silent on the processes and promises by which the monies have been secured." And he continues that the banks are allowing the Tories to run a £9.8 million overdraft without security and asks: "Many an entrepreneur would love to know the identity of this generous bank manager but the accounts are silent. Perhaps the next honours list will oblige."

### Resignations

Sleaze among Tory MPs is not new. Recently The Guardian

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**"Labour should not only be demanding that the committee sit in public but using every opportunity to expose the real nature of the Tories and their system. Getting rid of corruption is a laudable aim but one which will not be achieved until we get rid of capitalism, the system that breeds it."**

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which had several leading Conservatives as directors and consultants, placed deposits of about £200,000 in a special account with the Conservative Party's bankers and gave instructions that all interest should be transferred to the Conservative Party. The Tories finances came under scrutiny last year after allegations of secret donations from foreign businessmen.

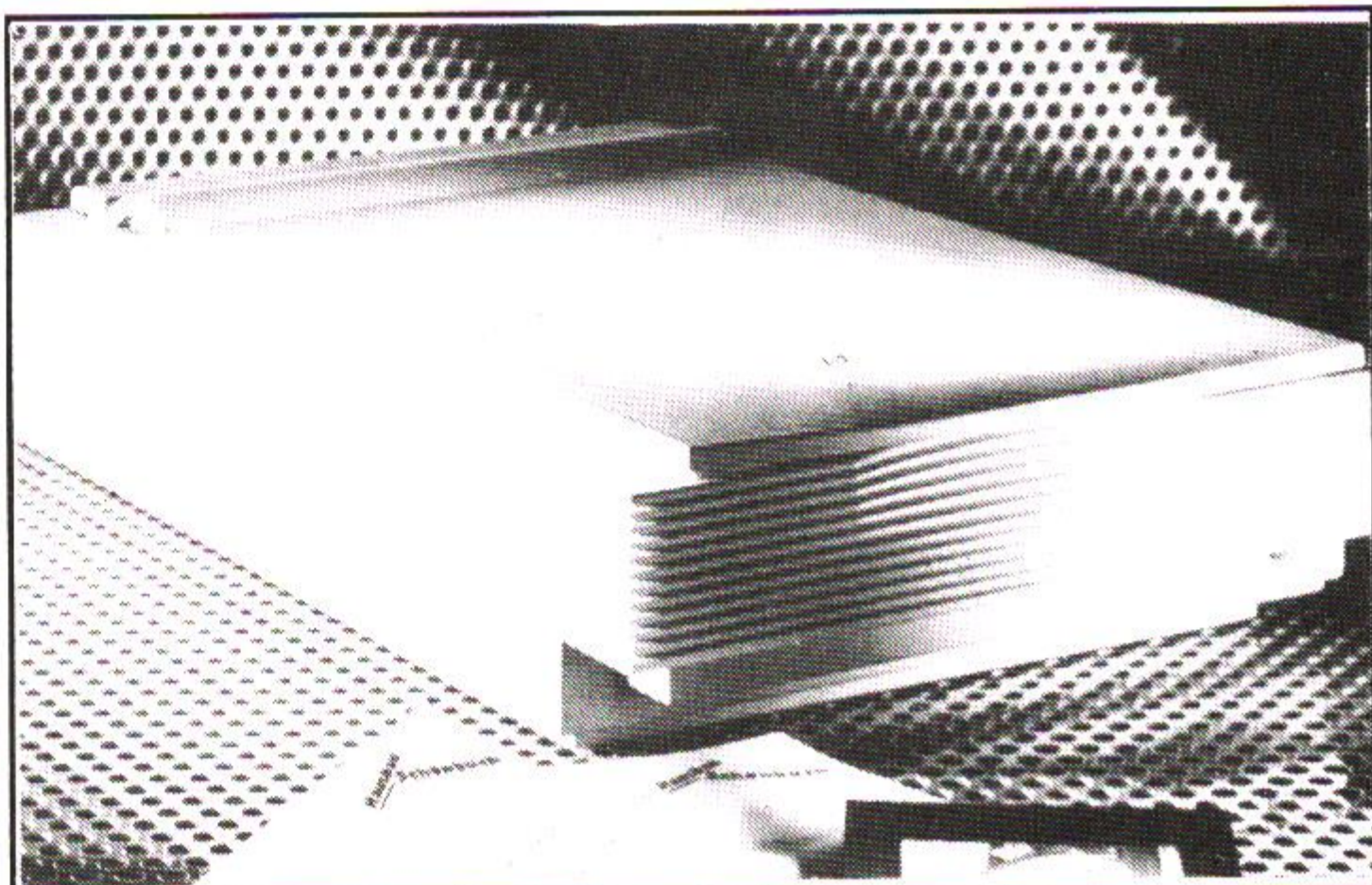
published a list of resignations following scandals since 1936. Back in 1990 John Browne, the then Tory MP for Winchester was suspended for four weeks by the Commons after failing to register - among other financial interests - a £52,000 payment from a Saudi Arabian bank. Since 1992 the frequency of such cases has spiralled from David Mellor resigning after stories that Mona Bauwens, the

daughter of a PLO official paid for his family's holiday in Spain two years ago to Tim Yeo and the Earl of Caithness in personal scandals.

The current spate of scandals has forced the Tories to agree to an enquiry. But even then they propose to hold the majority of it in secret. Tony Benn has correctly threatened to publish the "sleaze committee's" hearings. But that is not the point. The enquiry, and the furore over the Guardian's so called "cod-fax" are all a diversion from the real issues. The Tories are desperate to divert attention away from the corruption which riddles their party and their system. Corruption is endemic to capitalism. On the whole most Tory MPs caught out still believe they have done nothing wrong. They see their actions simply as an extension of the business dealings which oil the wheels of capitalism. For the ruling class, who want to ensure the smooth running of capitalism, they need to maintain the veneer of parliamentary democracy. Those who pay the piper call the tune and therefore from the ruling class point of view the payment of MPs or the giving of gifts is simply a way of ensuring that the laws passed and decisions made favour them. The Fayeds, the companies who donate to the Tory Party and so on do not do it because they are nice people - they want something in return.

### Capitalism

Whilst corruption is a vital part of capitalism it also threatens the whole system. The ruling class know that if, as in Italy, corruption gets out of hand it costs the capitalists too much in terms of "backhanders" and also exposes the real nature of the system. That is why the sleaze committee has been set up to "restore faith in parliament" and allow the vast amount of "corruption" be it legal or illegal, which goes on unreported to continue. Labour should not only be demanding that the committee sit in public but using every opportunity to expose the real nature of the Tories and their system. Getting rid of corruption is a laudable aim but one which will not be achieved until we get rid of capitalism, the system that breeds it.



Socialist Appeal's new scanner will mean digital production of all photographs and graphics.

## Press fund success - more needed!

Stage one is complete—we have purchased the scanner needed to help us move towards total control over the production of Socialist Appeal. Now we need to get the new collator, the improved laser printer and finally the press and plate maker itself. This will be only possible with your help. The success of the Press Fund appeal will determine if we can succeed in getting these important items. Apart from these items we also need your help to assist us in the fight to defend Clause Four. We had a good response to our last issue which was mainly devoted to this question and to the leaflets produced but if we are to bring out more material in the new year then we will need cash. As Christmas approaches we would ask every reader and supporter to enter into the 'festive spirit' and consider giving a donation. Sellers should be approaching every worker they sell to for a contribution towards the achievement of getting our own press. Why not organise a Press Fund social of some sort to help raise money. If you have any ideas or want advice then ring us on 071 251 1094 to discuss them. Appeal letters and collection sheets are also available. Thanks to all those who sent donations in this month including £100 from Tam Burke and an anonymous donation of several hundred pounds in union expenses!

# Sell Socialist Appeal!

With the discussion in the ranks of the Labour Party about Clause Four gathering pace there have been plenty of new opportunities to sell Socialist Appeal. One seller phoned in to say that she had been astonished at how many copies had been sold at her last GC following a discussion on keeping Clause Four. Extra sales have also been reported in from all the special meetings and rallies that have been held. Every supporter should seize the opportunity to use the journal to raise the ideas of socialism in the ranks of the movement. If your local party has not yet discussed the issue then why not organise one yourself and make use of Socialist Appeal in support of that meeting. Copies of our 'clause four' special—issue 26—are still available at the usual back issue rate of £1 plus 30p per copy (you can order any of our back issues from 1 onwards and if you buy ten or more then the post is free).

If you are a subscriber, why not take an extra copy or two to sell to people you might know in your Labour or trade union branch. Party and union branches should consider taking out a subscription or bulk order. Special letters are being prepared for such purposes—contact our office if you would like some copies. With the debate around the keeping of Clause Four widening out to take in such questions as the need for a planned economy, the relevance of Marxism in the Party, and so on, there has never been a better time to sell and use Socialist Appeal. Why not become a Socialist Appeal seller yourself. Ring us straight away on 071 251 1094 to get involved!

Steve Jones  
Journal Manager

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**Michael Roberts** looks at developments in the world economy.

# Prospects for 1995

**What are the prospects for the world capitalist economy in 1995? One of the particular features of the recent world economic recession of 1990-93 was its length.**

The downturn was not the severest of periodic collapses in capitalist production that have become pronounced since 1973. The 1974-75 recession hit all the major capitalist economies simultaneously and so production fell much more sharply than in the 1980-82 recession when the same countries, the so-called Anglo-Saxon economies of the US, the UK, Australasia and Scandinavia went into slump earlier than Europe and Japan and turned round earlier. The same thing happened in the last recession, with the US and Britain entering a recession in summer 1990 and turning round during late 1992 (US) and summer 1993 (UK, Scandinavia after devaluing), while Europe did not enter recession until 1991 and only started turning around this last summer. Japan was very late before it slumped in 1991 and only the very first signs of a recovery appeared towards the end of 1994.

## Slump

This desynchronised form of world slump meant that the downturn was not so deep as in 1974-75. But it lasted a great time this time, precisely because the upturn or boom of 1982-90 was so long lasting. The boom of 1982-90 (with a short pause in 1986-7 in Japan) lasted so long because the major capitalist economies of the West artificially extended the strength of markets by massive public expenditure and the

huge loosening of private credit. The Reagan administration pumped huge amounts of public money into the US arms industry so that the US spent well over 6% of its GDP on useless weaponry, the highest amount in the West, but in so doing kept money in pockets and jobs for

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**“The British government kept taxes on the rich and on business so low that huge profits could be made, and it did so by running up record levels of government borrowing on money markets. All this kept the industrial economies going for a little longer than in previous booms. But a price had to be paid.”**

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millions. The British government kept taxes on the rich and on business so low that huge profits could be made, and it did so by running up record levels of government borrowing on money markets. All this kept the industrial economies going for a little longer than in previous booms. But a price had to be paid.

The huge overhang of public and private corporate and personal debt meant that interest rates rocketed in the late 1980s contributing significantly to ensuing slump. That debt had to be painfully repaid by businesses and people on mortgages or with loans, by slashing back jobs and closing plants to make industry profitable. Much of the business debt has now gone, but in many countries personal household debts have not

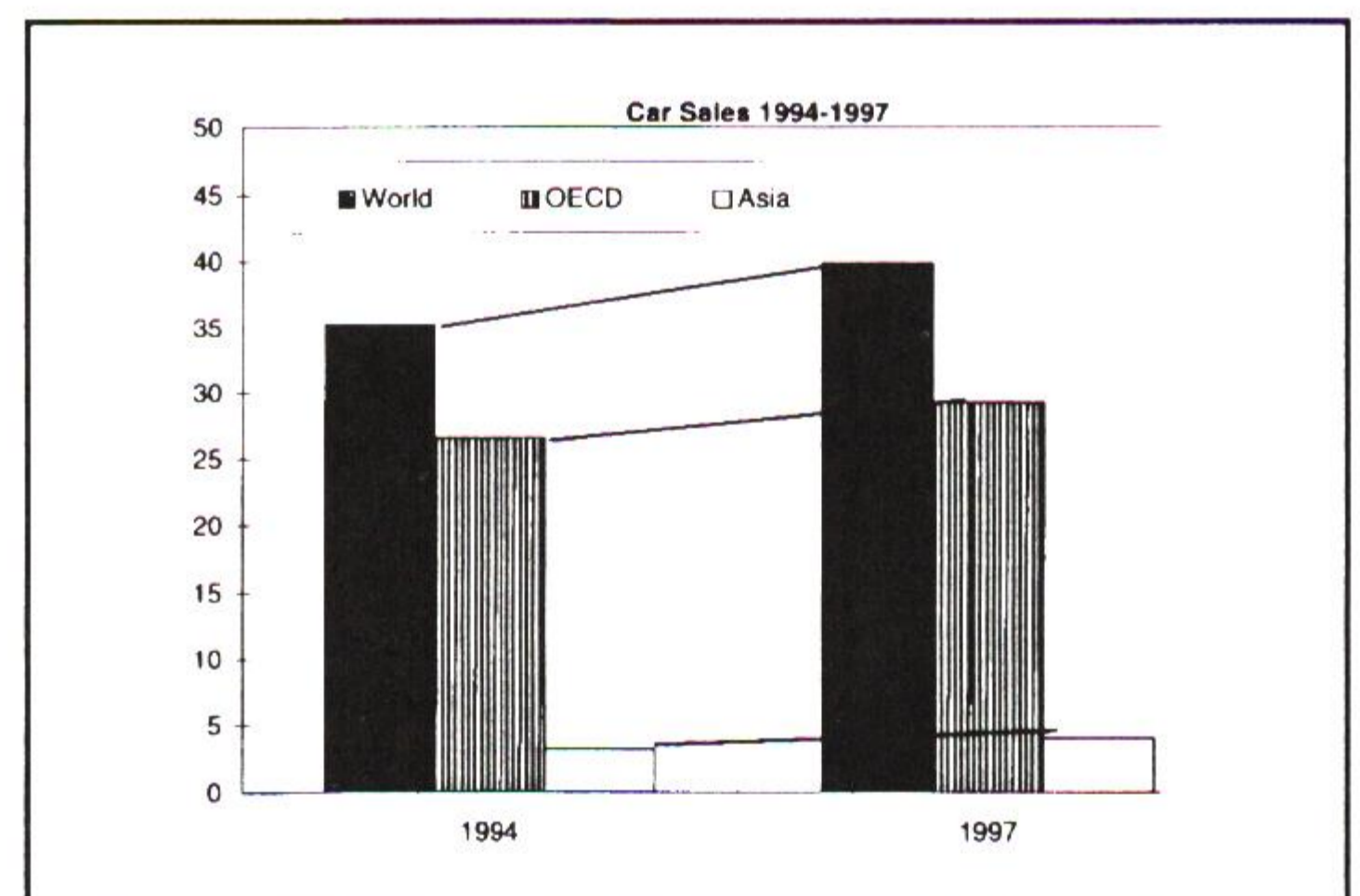
been cut back and those people who have kept their jobs have been forced to cut back on spending while they pay their debts off. Above all, governments are in trouble. Conservative governments everywhere have cut back on spending in welfare, education

and health but the slump drove up unemployment so that despite the efforts of Thatcher, Bush, Kohl etc, overall public spending remained high. And yet these governments pursued policies of cutting back taxes on

the rich and on big business. So budget deficits rocketed and the public debt burden rose sharply. Consequently, apart from making Europe and the US much more unfair and unequal societies in the 1990s than they have been since the 1890s, governments have no room to spend money on helping revive the economy through new transport or communications projects, or through better education or housing construction. Thus the world slump has lasted longer and longer. But the inexorable reduction in employment and the closure of factories and businesses across the industrial world eventually created sufficient profitability out of what was left to turn production and investment round in 1993 (UK and US) and 1994 (Europe).

## Upward

This year will see all the major industrial economies on an upward path together for the first time since 1989. That does not mean that the 26 major economies of the OECD industrial world will grow at record rates. On the contrary, this present boom is the weakest since 1933. Growth in the OECD will be only about 3% and the prospects for the next few years do not suggest a much faster rate. However, there is another feature that was different in this last recession and will be important for forecasting the prospects for capitalism in the rest of this decade. While the OECD world was in slump 1990-93, the newly industrialising economies of Asia continued to grow without pause at around 5-6% a year. The main markets for these economies in the past were Japan, USA and Europe in that order. But the slump in those markets did not stop growth in Asia. Why not?



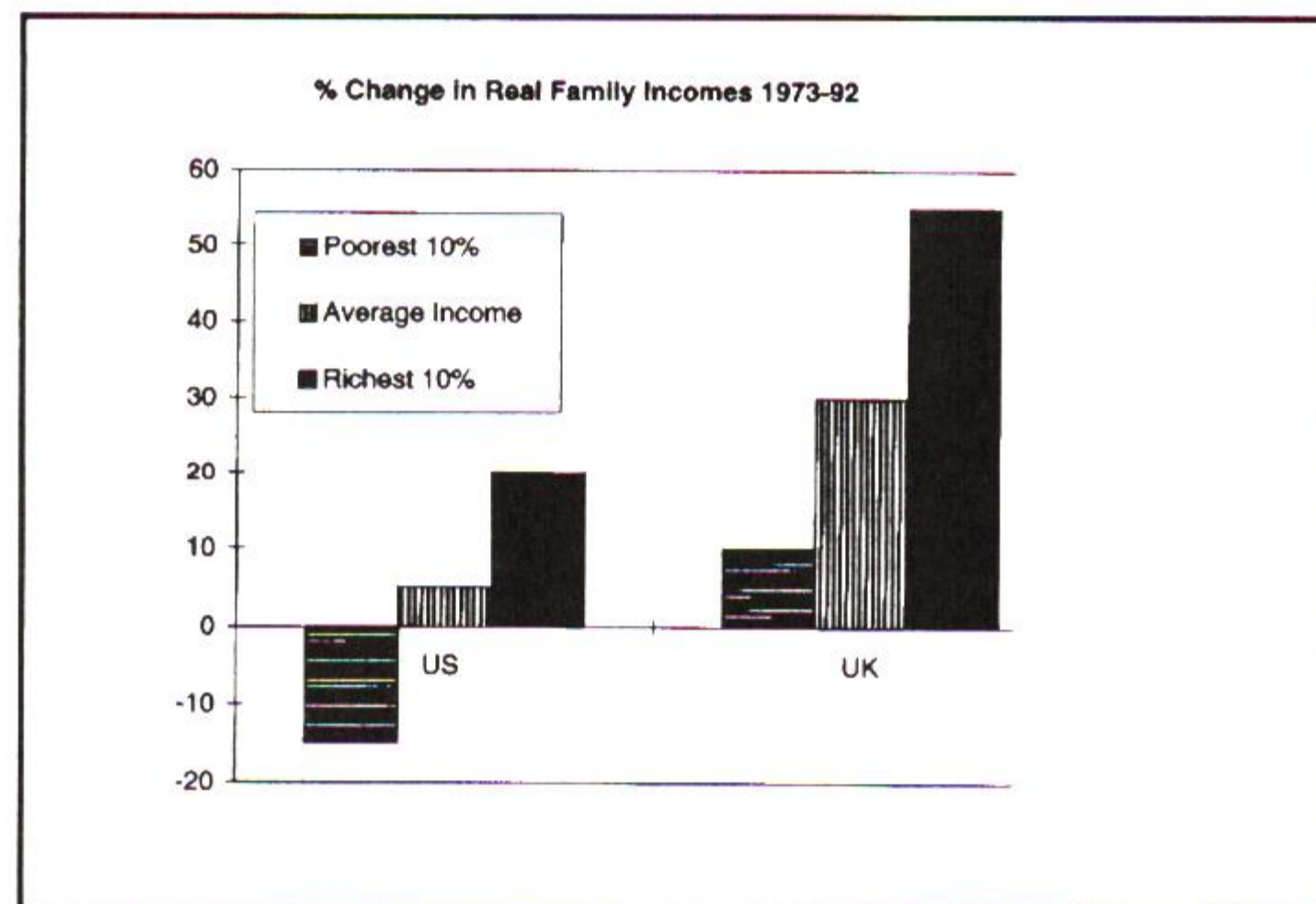


Because Asia is increasingly providing its own market. Trade within Asia is now worth 30% of

the Asian economies still constitute only 10% of world trade. The major investment, produc-

if they are eaten away by paying higher interest rates to the financial sector. World interest rates are relatively low at the moment, as is usual at the beginning of a boom. But in 1995, as growth picks up, we can expect industry to borrow more to invest, and we have argued governments will still have huge debts that must be financed by even more borrowing. Interest rates will rise and begin taking away profits from investment in production to paying off the banks.

own future is fraught with risks. Inflation is rampant in China and growing inequality between city and country and region and region threatens the political stability of a Communist party, already split over whether to pursue further the road towards capitalism or turn back. The 90-year old Chinese leader Deng who has kept the CP united, just, will probably die this year (rumours of his impending demise have surfaced weekly during 1994) and that will open up a severe political conflict that could send the Chinese growth locomotive off the rails. The Indonesian regime too faces growing labour unrest (it just locked up a labour leader after recent major industrial strife). It is a regime that could crumble when its ageing dictator Suharto kicks the bucket, again perhaps



total world trade, the same level of intra-regional trade that the European Union generates for its members. Most important, the fastest growing economy in the world during the recession and now in the recovery has been China. This massive country with 1.2bn people is extremely poor. But the Communist dictatorship has allowed the unbridled expansion of a capitalist sector along its coastlines and in the south of the country financed by a huge influx of foreign investment worth \$20bn a year (compared with the inflow of just \$12bn for Russia and Eastern Europe combined in over four years!). Foreign investors have been confident that they can make huge profits out of exploiting Chinese labour earning less than \$12 a month, with a government that ensures no labour unrest and keeps 'political stability' through

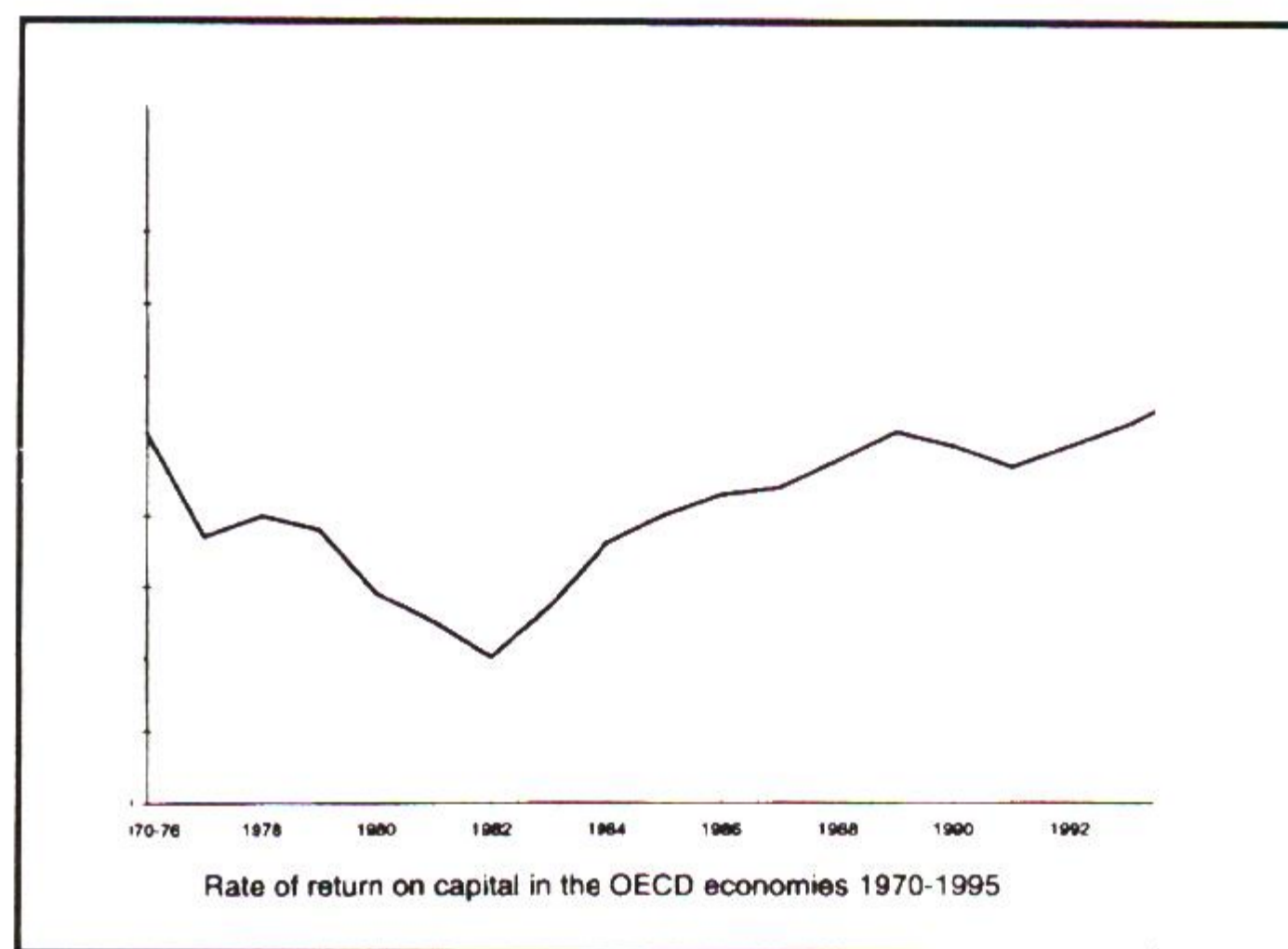
ruthless control of the police and army. A similar environment for foreign investment has been created in the next most populous East Asian economy, Indonesia, where a vicious military dictatorship operates to boost profit. This Asian boom also explains why the recession of 1990-93 in the West was not as severe as in 1974-75. But will the Asian boom generate a sustained and accelerating growth in the world capitalist economy over the rest of the 1990s? There are big question marks against it. First, tion and trade flows remain concentrated in the OECD countries, particularly the top seven economies of the North America, Japan and Europe. If they should falter in expanding production then the world will enter another recession. And there is nothing to suggest that these top capitalist economies have changed in any qualitative way to expect that. True, profit rates are on the rise, perhaps to levels not seen since the 1970s (although still lower than the golden age of the 1960s).

### Recessions

That is not surprising given that after three world recessions and slumps, we would expect the profit rates of what old industry is left to have improved, while new technological industries would be expanding profitability. The price of creating higher

### Profit rates

That means that real profit rates will begin to suffer, perhaps seriously so by 1996-7. The boom in the West will turn into its opposite again. The Asian growth economies cannot hope to compensate



world capitalism for any downturn in the major economies, just as they did not stop the 1990-93 recession. For example, OECD car sales are expected to rise by

this year. So 1995 will be a year of relative boom for world capitalism. But that will not show itself to the millions that remain unemployed in the West with no prospect of work for the foreseeable future. The 1995 boom will not comfort the hundreds of millions in China without land or jobs who huddle around the railway stations of the big cities hoping against hope. And it will not benefit the poor, the old, the ill and the disabled who will see further cuts in their income as Western governments from Clinton to Berlusconi, Kohl, Balladur, Karlsson, Gonzalez and of course, Major, continue to destroy the remains of the welfare state that was built up by the struggles of the labour movement in that period of capitalist progress of the 1950s and 1960s. There will be no return to that 'golden age'.

**“So 1995 will be a year of relative boom for world capitalism. But that will not show itself to the millions that remain unemployed in the West with no prospect of work for the foreseeable future.”**

3.3% a year over the next three years. That is a good measure of the likely economic expansion in the OECD economies in this boom. At the same time, Asian car sales are expected to rise over 9% a year. Yet because Asian car sales are only 8.9% of total sales now and will rise to only 10% in 1997, the fast growth in Asia will only raise the rate of growth of total world car sales from 3.3% in the OECD to 4.4% a year. It will help but not enough to avoid a downturn. Moreover, Asian capitalism's

profitability, necessary for capitalist production, has been mass unemployment of 50m people in the industrial West, accelerating poverty for millions and more inequality, apart from the misery of increased violence, drug addiction and crime. Also increased profits do not necessarily produce increased growth

After the IRA and Protestant paramilitaries declared ceasefire, what is the way forward in Ireland?

Phil Mitchinson puts the case..

# For A Socialist United Ireland

But the dialectic of history has turned the situation on its head. Today the border serves no useful purpose for British Imperialism, but instead has become a permanent source of political instability and a huge financial drain. Consequently the British ruling class would prefer a capitalist united Ireland, which could be safely exploited, like the Republic, without direct political involvement. The bulk of the South's economy is dominated by Britain.

**The declaration of an unconditional ceasefire by the Provisional IRA represents a crushing defeat for the methods of individual terrorism and the policy of the "Armalite and the ballot box." On the 13th of October, confident that no significant concessions had been granted, the Protestant paramilitaries followed suit.**

Their willingness to lay down their arms is proof positive that the IRA has failed to achieve a single one of its goals.

After a generation of bloodshed, with 3,170 dead and 36,680 injured the goal of a united Ireland seems more distant than ever. Can Ireland ever be united, should it be united, and what lessons are there for British and Irish workers?

To begin with it is necessary to place the responsibility for the problems of Ireland where they belong, with British Imperialism. The nightmare conditions facing the working class of Northern Ireland are a product of the decay of capitalism.

Equally, the political crisis arises from the strategy of Imperialism in the past.

## First colony

Ireland was England's first colony. From the Twelfth century, the Irish nation was devastated by wars of conquest, which left their economy in tatters and their language and culture trampled underfoot.

The growth of a powerful trade union movement in Ireland in the first two decades of this century, and the tendency for Protestant and Catholic workers to unite in bitter struggles with the employers alarmed British Imperialism. Partition was foisted on Ireland as a means of breaking the unity

of the working class.

When Asquith's Liberal government advanced Home Rule on the eve of World War One, Edward Carson, a reactionary lawyer, backed by the British Tories, armed and mobilised a mass Protestant force to oppose it.

As a result in 1914 Home rule was dropped. Its abandonment prepared the way for the Easter Rising of 1916, when the great workers leader James Connolly joined forces with the petit-bourgeois nationalists against British Rule.

## Rising

The British army crushed the rising brutally. Connolly himself was badly injured, then shot in cold blood. The ensuing wave of revulsion laid the basis for the war of independence of 1919-21. Faced with the threat of a social revolution, the British ruling class cynically carved up the living

body of Ireland.

The Irish bourgeois, equally terrified by the movements of the workers in the north following World War One, shamefully accepted the severing of the six counties.

In addition to this central fear of revolution, the policy of British Imperialism was also based on the ties between the Ulster Protestant capitalists and the British Tory party, and important military and strategic considerations - the north's engineering and shipbuilding industries and naval ports were a significant part of Britain's military machine. As Marxists have long explained, foreign policy is an extension of home policy.

Partition led to the establishment of a reactionary state in the North based on an in-built Protestant majority which for generations has seen the Catholics discriminated against in employment and housing.

But just like the creature brought to life by Baron Frankenstein, the sectarian monster created by British Imperialism will not simply lie down on command, but has developed a life of its own.

## Minority

The Protestants of the North fear that in a united Ireland they would be an oppressed minority, and, bad as they are, pensions, social security arrangements and so on are still better than in the Republic.

Contrary to the ideas of the IRA and their fellow travellers it is not possible to bomb a million Protestants into accepting a United Ireland. That way lies civil war, a civil war which would soon spill over into the big cities of Britain, and the British ruling class will try to avoid that at all costs.

There are around 100,000 armed Protestants. Together with the overwhelmingly Protestant RUC and UDR this represents a formidable force against which not only the IRA but even the army of the South would be powerless. This is the meaning of the "Protestant veto" which some in the Labour movement demand should be scrapped as though it were a simple question of tearing up a piece of paper.

Any serious attempt to drive the Protestants into a united Ireland on a capitalist basis, would lead to civil war. In such a situation the British Army would be unable to impose order, except to open corridors for the Catholic population in the North East to flee towards the border. There would be a mass exodus of Catholics from their areas of Belfast. Meanwhile the Protestant minorities of the border counties would



probably be driven toward Belfast and the North East. The result would be the re-partition of Ireland with a new, entirely Protestant statelet being established. This would be a nightmare for the working class. Many on the left of the Labour movement have denounced this scenario as scaremongering, the Protestants they say, are bluffing. Yet it is a view shared, and more pessimistically, by former UN envoy and Irish cabinet minister, Conor Cruise O'Brien, who, according to the Financial Times (5/10/94) has predicted: "a chronology of disasters that included half a million refugees and 10,000 fatal casualties in a civil war ending "in stalemate with a smaller, but entirely Protestant Northern Ireland"; a military coup in Dublin; and explosions in several British cities - all by the end of 1995." In the short term, however, it seems more likely that the ceasefire will hold, possibly for a few years.

### Cost

The British ruling class would love to pull out, they are desperately seeking a way to cut the current £4000 million cost of maintaining the North. Ironically, the Irish ruling class are now preparing to formally relinquish their "claim" to the North. In reality, the Southern ruling class are terrified of the prospect of a united Ireland. Their economy, already one of the weakest in Europe, (unemployment is higher than anywhere except Spain) could not afford to absorb the population of the North, particularly a million reluctant Protestants. Where does all this leave the IRA? Unable to force the Protestants into a united Ireland on the basis of the present system have they secured a secret deal to bring about unification by stealth? Does this explain the IRA's ceasefire? Well, capitalist democracy is famous for its secret deals, and the present corrupt government no less so. Obviously a secret deal has been done on the release of Republican prisoners, without that Adams could never have sold any deal to his members. Significantly, the Maize prisoners have declared in favour of the ceasefire. This reflects not only their own hopes for release but the real reason behind the IRAs ceasefire - demoralisation and defeat, the realisation that 25 years of

armed struggle have achieved nothing. But there is no possibility of a secret deal to bring about a united Ireland. As the Economist of September 3rd comments "extraordinarily enough it does seem to have given up its armed campaign without achieving any of its goals."

### Broadcasting ban

The broadcasting ban, which was a laughing stock in any case, has been lifted. There is talk of allowing Sinn Fein to participate in talks. But that's the lot. The IRA's ceasefire is in reality a defeat, a defeat predicted by Marxism in advance. Their declared aims of forcing a British withdrawal and the removal of the border are just as far, if not further away than ever. Neither question was even mentioned in their statement. In fact, since the British ruling class began to contemplate a withdrawal, around the time of the Anglo-Irish Agreement, the IRA and the left in the Labour movement have been arguing not for "Troops Out", but for a phased withdrawal. Sensing the threat of civil war, they want the troops to stay and fight the Protestants for them. Similarly, these lefts called for the troops to be sent in in 1969, in order to "defend" the Catholics. We have consistently explained that neither British Imperialism

by the fact that since 1969, Northern Ireland has seen the greatest movement of population anywhere in Europe since the monstrous expulsion of the Sudetenland Germans from Czechoslovakia after 1945. The Provisional IRAs policies have led down a blind alley. Now they've reached the dead end. Their actions have been used as an excuse by the state to increase its attacks on workers and not just Catholics, nor for that matter just in Northern Ireland, which became a test bed for measures later used against workers in struggle in Britain as well as in Ireland itself. The history of Ireland above all demonstrates that there can be no national emancipation without the emancipation of the working class, and that is a task which falls on the shoulders of the working class itself and cannot be delivered by a small band of saviours. So what deal has been struck? It seems that some kind of power sharing plan will now be launched, possibly even leading to the setting up of an assembly. This has long been the ruling class' favoured strategy. It was tried in the first five months of 1974 after the signing of the Sunningdale Agreement, when an executive was set up with the Unionist Party sharing power with the SDLP (neither a socialist, nor a Labour party, but in

ment caused the collapse of the executive in just a few days. The "strike" had nothing in common with the labour movement. Pickets composed of Protestant paramilitaries prevented workers from working by force. Nevertheless, even this, in a very distorted manner, showed the potential strength of the working class. Supporters of "power sharing" claim that this is the way to break down the barriers of sectarianism. In fact it intensifies sectarian allegiances as Protestant workers are forced to seek out Protestant representatives to air their grievances and Catholic workers, Catholic representatives. Any new assembly will prove as utterly incapable of laying the basis for a political settlement as all its predecessors - unless there is a major intervention by the working class organisations, most notably the trade unions, in building a mass Labour Party, and outlining a socialist alternative. In the absence of such a development an assembly would be no more than a stage for the playing out of sectarian feuds. What other "solutions" can capitalism offer the workers of Northern Ireland? In the past the idea of UDI, an independent Ulster, has been raised, notably by the UDA and even tentatively by James Callaghan during the last Labour government.

### Poverty

On the basis of capitalism, Northern Ireland will remain poverty ridden with the sectarian politicians watching out for every opportunity to consolidate their grip on the Protestant and Catholic working class. Neither the strategists of Imperialism nor the sectarian politicians have answers to the political and economic problems of Northern Ireland. In the long run all their "diplomatic" strategies will lead to ruin for the working class. The working class must look to itself and its own organisations to find a solution. Those who write off the ability of the workers to join together in struggle and put their faith in patching up deals between the sectarian politicians, are ignorant of the traditions of common struggle of the working class in Northern Ireland - traditions which stand out in bold relief in any history of the North. beginning with the revolutionary movement of the "United

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**"Those who write off the ability of the workers to join together in struggle and put their faith in patching up deals between the sectarian politicians, are ignorant of the traditions of common struggle of the working class in Northern Ireland - traditions which stand out in bold relief in any history of the North."**

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nor any other ruling class could be defeated by the activities of a small group of terrorists. Only a united movement of the working class is capable of inflicting such a defeat. Indeed the effect of the Provos campaign has been to weaken the movement. Whilst British Imperialism created the sectarian divide, the activities of the Provos have served to widen it. This is graphically demonstrated

reality a petit-bourgeois-nationalist party) and the Alliance Party. This was no more than a talking shop, helpless to resolve the economic and social problems of Northern Ireland. Suggestions of setting up a "Council of Ireland" with the participation of politicians from the North and the South, prompted the "Ulster Workers Council" strike of May 1974. This reactionary move-

Irishmen" at the close of the 18th century led by ex-Protestant Wolfe Tone.

In 1907, James Larkin led a united campaign of Protestant and Catholic dockers, carters and tobacco workers for better wages and conditions. Such was the support and enthusiasm generated that a split off from the Orange Order collected money for the strike fund during its parade on July 12th.

James Connolly continued this approach when he led a major dockers strike in 1911.

Musicians from Catholic and Orange bands joined to form the "non-sectarian Labour band" and led a united parade of workers. Even when Connolly and Larkin were removed from the scene, the instinct of the active workers in the labour movement was to struggle together. During a strike by Belfast engineering workers for a 44 hour week in 1919, Protestant and Catholic workers built a powerful, united movement. 40,000 workers took part in the strike. Under the impact of the victorious Russian

Revolution, the basis of a Soviet was constructed. According to JB Jeffreys in his book "The Story of the Engineers", "the success of the Russian revolution and the peace negotiations undertaken by the Bolshevik government served to give political emphasis to the industrial struggles of the engineers." Again in 1932, Protestant and Catholic workers engaged in the outdoor relief scheme went on strike together, holding mass meetings in the Falls and Shankill Roads.

It would be impossible here to go into the magnificent Civil Rights movement of the 1960s. But that heroic movement, inspired by the revolutionary events of May 1968 in France, demonstrates once again that had a revolutionary lead been present, the working class could have come to power and avoided the last 25 years bloodshed.

### Unity

During those years the basic unity of the working class in the trade unions has been largely responsible for cutting across repeated attempts to provoke all out sectarian conflict. Neither partition nor the sectarian garbage of recent years have been able to destroy the All-Ireland basis of the Irish Congress of Trade Unions. Indeed, as a percentage of population more workers are organised in unions in the North than

in Britain.

At present the British ruling class see Paisley as a hindrance to their plans, hence his unceremonious expulsion from Major's office recently.

Paisley, who casts himself in the image of Lord Carson, feeds on sectarianism and fears that moves toward a political settlement would sideline him. Nevertheless he can still serve a useful purpose to British Imperialism. In the event of a big movement uniting the Catholic and Protestant workers, the ruling class would not hesitate to use his influence in an attempt to inject sectarian poison.

Economic crisis, however, does not recognise religious divides, and tends to unite the workers in common struggle, as in the historic half-day General Strike of April 2nd 1980.

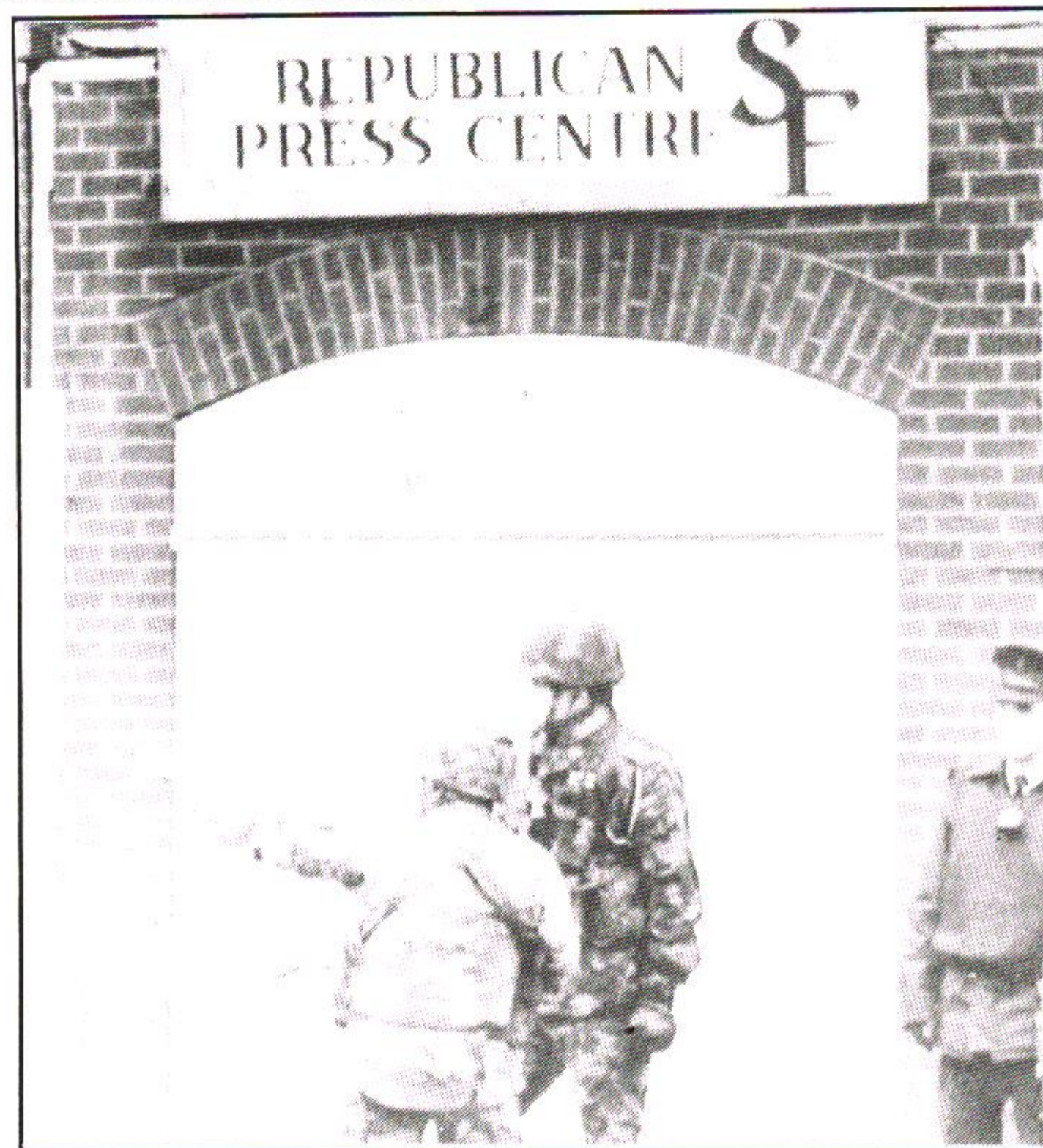
The press of Britain and Ireland have devoted acres of column space to the activities of the sectarian organisations, but have remained silent on the joint struggles of the workers united in their unions.

### Mass Labour Party

In the North the workers need the political voice of a mass Labour Party. Since the leadership of the Northern Ireland Labour Party went over to a reactionary loyalist position in 1974, this has been lacking. At its height in 1962 the NILP won 26% of the vote and captured four Stormont seats. This was the first time the Unionist vote had fallen below 50%, and illustrates that only Labour can defeat the Unionists, because only Labour can take away their Protestant working class support. In 1912, James Connolly, supported by James Larkin, successfully moved the motion to set up the Irish Labour Party at a conference of ICTU. Similar action is now required from the trade union movement in Northern Ireland.

A Party of Labour, based on the unions, could break the vicious circle of sectarian politics.

Of course, the success of such a party would depend on its programme. By launching a campaign for a 32 hour week without loss of pay and a decent minimum wage to combat unemployment and poverty, a Labour Party would gain tremendous support. The same would be true of a massive programme of house building. Of course, all this would require planning, not the anarchy of the "free" market, and since you can't plan what



you don't own, it would be necessary to nationalise the key sectors of industry, the banks and finance houses. The shorter working week would allow everyone the necessary time to participate in the running of all aspects of industry and the state.

In particular, the youth would respond enthusiastically, finding common cause in the construction of a future untainted by the evils of capitalism and sectarianism.

Linked to the Labour Parties in the South and in Britain such a party could play an important role in building solidarity between workers in the North, in the South and in Britain, a solidarity which was shown in the marvellous collections of the Irish workers for the British miners in 1984.

Unification by force is impossible, as is unification by stealth. In short, the unification of Ireland cannot be achieved by capitalism.

### Marxism

The first concern of Marxism must be to fight for the unity of the working class of Ireland and of all nations. It is our duty to explain that national self determination can only be brought about by class self determination. To the poison of nationalism, Marxism replies with the solidarity of socialist internationalism. The unity of the working class is the prerequisite for the unity of Ireland. That unity will be built out of common struggle and a common understanding that the workers interests are the same

and that capitalism is their joint enemy.

The solution to the national problem is inextricably linked to the solution of social problems, and will come from a united working class created by the common struggle for a better life.

The way would then be cleared for a Socialist United Ireland to enter into a free, equal and voluntary federation with a socialist Britain. This in turn would serve as a beacon of attraction to the workers of Europe and America in particular, and prepare the way for a Socialist United States of Europe, and a World Federation of Socialist States. It is the duty of British workers to study the situation in Ireland, to struggle for an independent class position in the Labour movement, to replace Blair and co.'s faint echo of Tory reactionary policies, and above all to assist their Irish brothers and sisters in the struggle for socialism. In the words of James Connolly,

"The cause of Labour is the cause of Ireland, and the cause of Ireland is the cause of Labour. They cannot be dis-severed." Once the powerful ideas of Marxism are the property of the mighty working class of Ireland, no force on earth will be able to stop them sweeping away capitalism, sectarianism and the border designed to maintain them. But to turn to Connolly again, "The only true prophets are those who carve out the future they announce."

We reprint below *Ted Grant's* historical article from 1947...

# Labour in Power

The discussion around Clause Four that is taking place inside the ranks of the Labour Party has widened out to take in both the question of what will happen to the next Labour government and also the fates of the previous Labour governments. We are therefore taking this opportunity to print an important article by Ted Grant which first appeared in the October 1947 issue of 'Workers International News'. Written, as the article states, two years into the life of the 1945-51 Labour government, it sought to compare the then current situation of developing crisis with the fate of the Labour government of 1929-31 and to outline both the perspectives for class struggle and the main political conclusions that should be drawn by activists in the movement. The lessons of the second and third Labour governments are of great importance to the movement today and this article should therefore be studied in detail by all workers. Socialist Appeal will carry further material on all these questions in future issues.

It is now more than two years since the Labour Party came to power. Developments inside the Labour Party and the movement, and the mood and attitude of the working class to the government in the present period can be better understood by a comparison between the second and third Labour governments and the economic and political conditions in which they functioned, especially in the first two years. Despite cuts announced as a result of the dollar crisis, these cannot be expected to have immediate results in a fundamental transformation of the attitude of the working class, follow-

ing the reforms granted by the government in its first period of functioning, in a period of 'full employment' and shortage of labour.

The second Labour government functioned in a period of slump and mass unemployment, of offensives on the part of the employers against the standards of the working class, which rapidly led to a crystallisation within the Labour Party in the development of a left wing. The third Labour government came to power at a time of economic revival and full employment and the employers have difficulty in withstanding the offensive of the working class. This has necessarily delayed the inevitable differentiation within the Labour Party and the crystallisation of the left wing.

## Labour government

The whole life and activity of the working class and their attitude towards the second Labour government was coloured by the economic background of mass unemployment and world slump. Precisely because of these, the Labour Party came to power with tremendous enthusiasm from basic sections of the workers, who had high hopes that Labour would introduce extensive reforms, above all, abolish unemployment and alleviate the lot of the unemployed. Unemployment was the main issue on which the Labour government succeeded in rallying basic sections of the working class. In the election manifesto, Labour and the Nation, the Labour leaders boasted: "We can conquer unemployment". In their election propaganda, the Labour leaders promised, apart from the provision of work, that the unemployed be treated in the traditional manner demanded by the labour movement: "Our palliative measures for

dealing with unemployment are simple. We claim full and complete maintenance for those who cannot find work." (Declaration by George Lansbury in election propaganda in 1929).

For the relief of unemployment, the Lord Privy Seal, JH Thomas, announced that £6.5m would be available for railway development, and £43m on road development and bridges over five or six years! This was greeted with ironical approval by the Tories, who jeered and baited the Labour leaders for their timidity. Churchill greeted with malicious enjoyment the King's speech at the opening session of the Labour Parliament, as he gave Tory approval to the proposed measures, but deplored them as mere palliatives: "I am glad to see old parliamentarians whom I have known for a quarter of a century, who have played so distinguished a part in our proceedings, having at last their turn and their share in the responsibilities of government, and testing what are called by those who have not experienced

them 'the sweets of office'. I also look forward to having the Financial secretary to the Treasury deliver to us a clear exposition of the gold standard and the solid advantages which it will confer upon the country; a generally to defend orthodox views upon financial matters. No doubt the Financial Secretary to the Treasury will be able to do this when his education by the Treasury officials, the Bank of England, and the high financial authorities of the City of London has been completed..."

## Astonishing

"The creation of the Socialist Party has been an astonishing thing. I have seen it grow in the course of 30 years from a handful to the largest party in the House of Commons... They have ranged great masses of the British people under false and foreign conceived standards... They have built it (power) up by fomenting class hatred and organising industrial strife. they have dabbled in subversive agitation. they have pandered to rapacious appetites which they know they can never satisfy. It is now their fate, it is indeed their punishment, to have to disappoint those who have believed in them and to have believed what they said, and to discard or explain away the doctrines by which they have risen to great power... As long as His Majesty's ministers are content to administer and by administering, to fortify the capitalist system of civilisation on which we have grown great, and on which the United States is growing greater, there is no reason why they should not enjoy, although



they are a substantial minority in the country, a lengthy tenure of office."

He went on to explain that the moment that the Labour government adopted 'socialist' measures (ie nationalisation measures), they would be swept immediately from office by their opponents. But the Labour leaders did not even attempt to introduce such legislation, using the excuse of their minority position in parliament. Instead of introducing a bill on nationalisation, being defeated and then going to the country on the issue, the Labour leaders were only too glad to use the excuse to do nothing.

### Unemployment

As a relief for unemployment, the government announced it would assist the rationalisation of the iron and steel trades, of cotton, the mines and the railways. Unemployment in iron, steel, transport and cotton were the sore spots.

At the same time, Thomas announced a brutal programme of emigration to the Dominions and the Empire, and the migration from the areas of the heaviest unemployment to the other areas by direction from the Labour Exchanges. "Durham, Northumberland, Lanark and places like South Wales have got this great mass of unemployed and, as far as one can see, there is no hope of dealing with these people unless we get them out of the districts." Commenting on Thomas' speech, Lloyd George said: "It seemed to meet the whole-hearted approval of the late Chancellor of the Exchequer; (Churchill) at any rate, he could not conceal the satisfaction it gave him, and he assured the Lord Privy Seal that on the whole the schemes which had been sketched out would receive the support of the Conservative Party. I assume that the outline given will give satisfaction to Hon. Members opposite. I am not quite so sure that the unemployed will be equally pleased." On the proposals for mining rationalisation and marketing, and concessions to the miners on hours, Lloyd George jeered: "I do not say they are betraying the miners, because they cannot carry out nationalisation. They are going to carry out what they can, and I think it right, but I am bound to point out that they are proposing to do now what they rejected in 1919."

During the course of the discussion, one of the Tory spokesmen dealing with the helplessness of the government in the face of the situation, said: "In this atmosphere, we all practically avow that unemployment depends upon forces that this house cannot control." (Lord H. Cecil, 3 July 1929. Hansard Col. 162). In commenting on Labour's programme, the Tories openly proclaimed that the task of the Labour government was to preserve capitalism intact. Robert Boothby in a speech reflecting the tone of the Tories said: "It may be one of fate's little ironies that the principal task confronting the present so-called socialist administration should be to make Great Britain safe for the capitalist, although we all know that it has been one of the most cherished ambitions of the Prime Minister and the Chancellor of the Exchequer. All I would say is that I really think they can afford to be a little bold, to tackle the question a little more vigorously, without doing any serious damage to the economic structure which they have abused for the last 30 years and which, they are now so pathetically anxious to preserve intact." (4 July, 1929).

Despite the Labour victory at the polls, the Tories and the Liberals still had tremendous confidence in their class and their ability to handle the working class, espe-

steadily deepened during their term of office.

In 1929, the production of coal reached 257.9m tons; steel 9.6m tons; railway freights handled amounted to 57.6m tons and the number of passengers on the railways was about 869,000. In the succeeding years, production dropped steeply, till in 1931 coal mined was 219.5m tons, railway freights handled 47.5m tons; and railway passengers carried numbered 848,000. Meanwhile, Britain's trade with foreign nations dropped catastrophically.

### Government

Just before the Labour government took office, the number of unemployed was 1,165,000 in May 1929. This was 9.7 per cent of the insured workers. By February 1930, this had increased to 1,582,000 over 13 per cent of the insured workers. And if all those who were deprived of benefit, or in receipt of assistance were added, the total would have been two million youths and adults. In the basic trades, there were 13.2 per cent unemployed in the mines, 22.7 per cent in steel smelting, 24.6 per cent in ship-building, 24.2 per cent in cotton, 21.1 per cent in woollen and worsted, and 18.3 per cent in the building industry.

Under the conditions of world

the rising number of unemployed, went the intensified attacks of the employers. And the Labour government went hand in hand with the employers in the attacks on the unemployed and the employed workers.

Then, as today, the Labour government waged a similar campaign for "increased production", but at reduced rates of pay and at a time when it had become clear to the advanced workers that the capitalist system had resulted in the crisis of "over-production". The government was demanding sacrifices from the workers. In the fake conferences of the trade union officials and the employers called by the Labour government, "sacrifices" was the main theme of the government spokesman. Thomas announced to the House of Commons on 4 April 1930, in regard to these meetings: "The house will be pleased to know that I found no difficulty there, but that on the contrary, there was a frank recognition on both sides that changes and sacrifices would have to be made in order to pull the country through."

This campaign was being waged at a time when the 90,000 capitalist super-tax payers were deriving as revenue from the production of the workers, the staggering sum of £550 million a year.

### Pressure

Right from the beginning of the second Labour government, pressure began to be exerted by the left-wingers under the influence of the crisis and in response to the mood of the membership in the country. Maxton, speaking for the 'Clyde Bloc', immediately began to reflect the disillusionment of the advanced elements within the Labour movement. "Frankly I would be dishonest to my right hon. friends if I did not express very plainly my complete dissatisfaction with the king's speech, and with the speech of the right hon. gentleman, the Lord Privy Seal, in detailing one particular part of the King's Speech... I hope the legislation arising out of the king's Speech will not be as much whittled down, compared with the King's Speech, as the King's Speech was whittled down from "Labour and the Nation", or there will not be very much left for us..."

"About one week before the last parliament dissolved, the right

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**"the Labour leaders did not even attempt to introduce such legislation, using the excuse of their minority position in parliament. Instead of introducing a bill on nationalisation, being defeated and then going to the country on the issue, the Labour leaders were only too glad to use the excuse to do nothing."**

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cially their leaders. The programme of the Labour government of 1929 was on orthodox capitalist lines. It was one, moreover, which could not be dressed up in palatable form as far as the most conscious elements in the working class were concerned.

In addition, the Labour government came to power at a time of economic world crisis, which

slump and crisis, the bourgeoisie wished to utilise mass unemployment in order to drive down the standards of living of the working class. Throughout the period of the Labour government, the emphasis was on the intensification of labour and the cutting down of wages. The miners, the railwaymen, the cotton and woollen workers and others, suffered cuts. Hand in hand with



hon. gentleman who is now the Home Secretary described the administration of the Employment Exchanges in their dealings with unemployed men as 'administrative persecution', I think. As far as I know, the method of administering Employment Exchanges today is exactly the same as it was when the statement was made. Now that ought to stop. It is an administrative matter ... There are now 2,000 people packed into our Poor House in Glasgow—now—with a Labour government in office; told that they must either go into the Poor House, in which case their wives and children will be maintained, or they will be taken up for cruelty to children and put into gaol..."

### Advanced

The ILP, traditionally the organisation of the most advanced of the Labour workers, reflected immediately the growing ferment within the ranks of the working class.

Right from the start of the Labour government, they raised a running fire of criticism, particularly on the issue of unemployment. The world situation was such as to encourage the growth of revolutionary aspirations and ideas among the working class. The complete incapacity of reformism to fulfil its promises of moving towards a socialist system of by gradual measures through parliament, was demonstrated in action to the advanced workers. Far from granting even mild reforms, the

Labour leaders were compelled to launch attacks upon the standards of the workers. Naturally, this provoked disillusion, and under the pressure of these events, the ILP began to swing left and to express the groping movement of the advanced workers in the direction of communism.

Nevertheless, among the mass of the workers, particularly the unorganised and backward sections, the first result of the growing unemployment, of the wage cuts, was to compare the result of five years of Tory government with their deteriorated position under the Labour government. As a consequence, we had the paradox that while the advanced workers were swinging left, the backward elements within the working class and middle class were swinging right towards the capitalist parties. Even in Labour strongholds, the vote of the Labour Party was falling, while that of the Tories and Liberals actually increased over their 1929 figures.

The ultra-left tactics of the Stalinists tended to alienate the workers from the Communist Party, except among the ranks of the most desperate sections, above all the unemployed where they gained a considerable basis.

In the municipal elections a like situation was reached. The Labour vote dropped, a section abstained, and bigger sections went over to the capitalist parties.

While this peculiar and temporary process was taking place

within the broad masses, the trade union and Labour workers were disheartened and embittered, even though remaining loyal to the Labour government as a minority government the eyes of the more advanced strata within the Labour Party were opened. The left wing members grew bitter, their criticism of the Labour leaders more extreme; and this development among the rank and file pushed the ILP further to the left. Under the pressure of events, the ILP leadership swung also over to the left. The ILP as an organised opposition led the struggle in the Labour movement. However, despite the broad support and tradition, the number the ILP succeeded in attracting was never at any time large in proportion to the numbers of the organised workers generally. The mass of the Labour workers belonged to the Labour Party passively as individual members, or though their affiliation in the unions.

### Membership

The dues-paying membership of the ILP in 1909 was 28,000; in 1914 it fell to 20,000 and in 1920 in the first post war wave, it reached its highest point at 37,000. At the time of disaffiliation from the Labour Party, the ILP had under 12,000 dues-paying members.

During the 1931 crisis, the bourgeoisie began a furious offensive against the Labour government. They demanded economy cuts in the standards of the state employees and a further reduction in the low standards of the unemployed. The Labour Party tops conspired with the capitalist class in order to prepare the way for a coalition government. But the General Council of the TUC, expressing the pressure of the organised workers, came out against economy cuts and the ILP, which nominally had a great section of the Labour MPs within its ranks, conducted a campaign against the acceptance of the recommendations of the Royal Commission which had been set up by the Labour government to review the situation.

The TUC leaders demanded that the Labour leaders should resign rather than accept the economy cuts and make themselves responsible for an attack on the standards of the unemployed. Thus, the opposition of the masses to the reactionary measures of the Labour government were reflected by the trade

unions, which outwardly played the part of a semi-opposition to 'their' government, and tried to act as a safety valve to the opposition of the masses.

As a result of the feeble policy of the Labour government, and its vicious role in assisting the employers in attacking the standards of the workers; and with the growth of the crisis and the enormous rise in unemployment to the greatest heights experienced in history; the masses became disillusioned.

The lack of a mass revolutionary alternative, the traditions of Britain and the peculiar electoral system led the bourgeoisie, skillfully utilising the desertion of the top upper crust of the Labour Party, to panic the masses and crushingly defeat the Labour Party in the general election of 1931.

The ILP supported the Labour Party at the general election. But these events could not but lead to tremendous repercussions within its ranks. Despite the centrist vacillations of the leadership, the rank and file became more and more imbued with a hostility towards reformism, and drove the leadership forward. In 1932, after the fall of the Labour government, the ILP conference decided by 241 votes to 142, to disaffiliate from the Labour Party. Because of its failure to transform itself into a Marxist party, the ILP was doomed to vegetate during the political changes in the years that followed.

Thus, the second Labour government in its two and a half years of office functioned continually in the shadow of crisis, wage cuts and unemployment. With this background, the measures adopted by the Labour government characterised by orthodox capitalist timidity, had no power of attraction for the masses, especially the advanced strata.

### Ferment

As a consequence, there developed a tremendous left ferment within the ranks of the Labour Party, which reflected itself in the move of the ILP in a revolutionary direction, resulting in the transformation of the ILP from a left reformist into a centrist current.

In such an atmosphere, the clashes between the reformist leadership and the rank and file led to a differentiation within the reformist organisations. A leftward development of the work-

ing class always finds its reflection, in a period such as this, in the formation of centrist and left reformist currents and tendencies within the mass labour movement.

The background of the third Labour government, both economically and politically, is strikingly different to that of the previous Labour government. As a result, there has been a much slower tempo of developments. From unchallenged supremacy for four or five decades, British imperialism has dropped to the level of a second rate power. Her industrial supremacy has been largely undermined through technical backwardness in the basic industries of the country. The two world wars, especially the last, have enfeebled her hold on the Empire and former satellites in the Sterling Bloc, which Britain had established after 1931 in an endeavour to shelter from the competition of, above all, American imperialism.

### Accumulated

A large part of the accumulated wealth which Britain piled up in the past centuries has been dissipated and lost during the war. Britain's invisible exports have as a result, declined drastically. The unfavourable balance of trade payments still remains, and must remain. A great part of the investment and income which the City of London made on loans, commissions and insurance, has fallen into the hands of New York. Thus, the perspective of British imperialism is bleak indeed, faced as it is with the imperative need to re-equip its basic industries by huge capital expenditure, and simultaneously increase its exports above prewar levels. In contrast with the earlier confidence in their mission and their hold over the Empire, the British bourgeoisie of 1945 had lost complete confidence in themselves in the face of the collapse of their world position. They were paralysed and saw no perspective for their class. The decay of the capitalist system and the obvious necessity for drastic measures, emboldened the petty bourgeois leadership of the Labour Party. This, coupled with the radicalisation of the masses, imbued the Labour leaders with greater confidence. They had a 'plan': the rationalisation and modernisation of the basic industries which the individual capitalists and trusts had

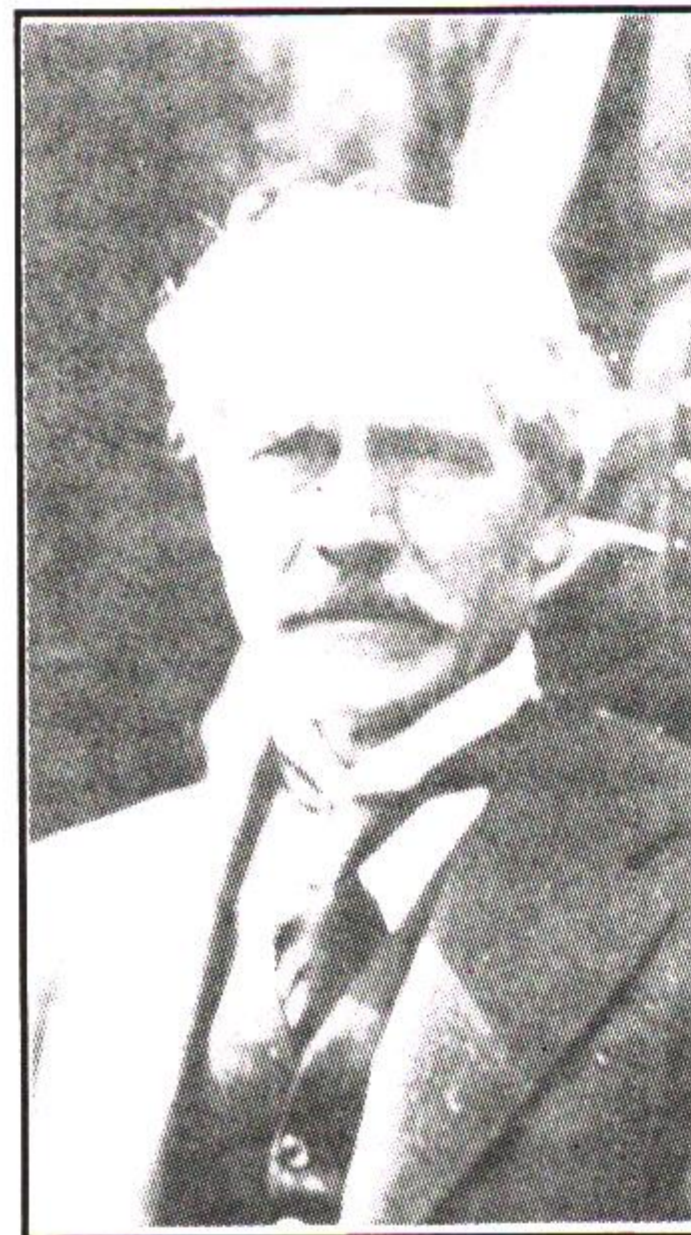
brought to the brink of utter ruin. They saw as the cure for the ailing basic industries of British imperialism, nationalisation under the control of the capitalist state. They thought their programme of state capitalism, which they put forward as socialism, could reorganise British capitalism and save it from collapse.

### Nationalisation

The nationalisation measures of the Labour government, unprecedented under capitalism before the outbreak of the last war (though paralleled by similar developments on the continent of Europe), provoked only the mildest opposition from the bourgeoisie. To have nationalised even the mining industry in 1929 would have provoked a movement among the bourgeoisie which would not have stopped short of violent reprisals and conspiracy. The opposition would have gathered around the House of Lords and the monarchy, which remain reserve weapons in the hands of the ruling class, and which they would have used to block such a measure—even if the Labour leaders had had the overwhelming majority in the House of Commons. But today, apart from minor changes which they introduced to demonstrate the powers they possess, the Lords have allowed these measures of nationalisation to go through without attempting to operate their rights of veto, and the King has signed the nationalisation bills. Only in the case of steel was any real opposition offered by the capitalists, before which the Labour leaders retreated somewhat—although they have announced that steel nationalisation will be proceeded with. Far from challenging these nationalisation measures, which in the eyes of the workers are the beginnings of the transition to socialism, the most representative Tories have announced that they will not undo the nationalisations that have taken place if they are returned to power in the future. The nationalisations put into operation so far will be beneficial to the capitalist class and as such, the Tories are prepared to accept them. The shattering defeat which was inflicted on the Tories in the general election has forced them to bide their time. Only now are they beginning to recover from the effects of their defeat.

Utilising the discontent of the masses and of the backward strata of the workers, the conservative representatives of British imperialism are beginning to recover their confidence and look towards the future with the perspective of being returned to power.

The third Labour government came to power in a period of economic upswing in contrast to the experiences of the second Labour government which was elected in the midst of world-wide over-production, crisis, stagnation of production, and mass unemployment. The tremendous destruction caused by the war and the world wide famine in capital and consumer goods created a sellers market. Even America is not able to supply the internal and world markets with the goods which are in demand. The products of British industry find a ready market and have created the conditions for



an economic boom. The American loan gave the Labour government the possibility of maintaining the balance of payments and thus the elements of stability in its economy for the first two critical post war years. Without it, the standard of living of the workers would immediately have dropped back to catastrophic levels. But the loan, while it lasted, cushioned the shock and even afforded the Labour government the possibility of introducing improvements in the standard of living of the working class. Under the pressure of the workers, the Labour leaders introduced a series of reforms. The workers adopted a sympathetic attitude towards the government and have been pre-

pared to wait and see, rather than launch into a series of great industrial strikes and struggles. All this has led to a different tempo of development from the corresponding period of the second Labour government. The overall production in the first two years of the present government has been 10 to 20 per cent higher than prewar. In fact, overall production has reached record heights. Far from being faced with the problem of mass unemployment, there has been a chronic shortage of labour. Unemployment is well below the margin of the industrial reserve army. The number of unemployed in August 1947 was less than 300,000. Compared to the figures of the past, this is negligible, and has served to strengthen the illusions in the minds of the Labour supporters that the Labour leaders are seriously coping with the unemployment problem.

The economic upswing constitutes a favourable period for the workers to exert pressure on the employers for wage increases and improved conditions. Especially does this hold good for the highly organised workers, who constitute the backbone of the support for the Labour government. In the first two years, the wages of over ten million workers increased on average by nearly £1 per week. At the same time, six million had their hours reduced on average by three hours a week without reduction in pay. Even after the breaking of the dollar crisis 840,000 workers received increased wages totalling £340,000 and 250,000 had their hours reduced on the average by 3.75 hours per week.

### Gains

These gains were somewhat offset by the rise in prices. But they have made a profound impression on the consciousness of the British workers. The nationalisation measures, the existence of full employment, the reforms and semi-reforms in the social services, have resulted in an entirely different mood to that which existed in 1929-31. In the eyes of the overwhelming majority of the Labour workers, the Labour leaders have attempted to carry out the programme on which they were elected. The second Labour government, in the midst of a slump, slashed viciously at the standards of the



masses all along the line. The existence of the boom, coupled with US aid, gives the present government the possibility of bending under the pressure of the workers. Mass unemployment and the existence of the industrial reserve army acted as a leaden weight on the feet of the British workers during the second Labour government. The present condition of full employment creates favourable conditions to resist attacks. With US aid cushioning the blows at British capitalism, the bourgeoisie can still retreat in the face of a strong offensive on the part of the working class. Given these conditions the British workers, while willing to struggle on the industrial field, have extended and are prepared to extend considerable loyalty to the government.

### Difference

The striking difference between the position in 1929-31 and the present is that in the former case, powerful opposition developed within the Labour Party on home affairs, which assumed a terrible urgency in the lives of the workers. In the previous Labour government, foreign policy was based on pacifist demagoguery and was largely endorsed by the 'lefts'. What feeble opposition has developed in the Labour Party and the Parliamentary Labour Party today has been on the issue of foreign policy. But the opposition on foreign policy collapsed because of the weakness of British imperialism which resulted in the forced withdrawal from India, partly from Egypt, and now the government declaration regarding its preparedness to withdraw from Palestine. Moreover, an opposition, while it is confined in the main to foreign affairs, cannot hope to attract the support of the broad masses away from the right wing. Thus, the right wing Labour leaders have been able, owing to Britain's weakness, to pose as 'liberators' of the colonial peoples with a 'socialist' foreign policy as against the blatantly imperialist policy of Churchill and the previous Tory governments, and even the previous Labour government. The policy of the government on home affairs has been largely endorsed by the so-called opposition—a striking contrast to the situation in the Labour Party in the previous government. An instructive episode was the dif-

ference in attitude of the late James Maxton of the ILP, who welcomed enthusiastically the programme of the third Labour government and its suggested legislation.

### Collapse

The collapse of the 'lefts' at the past two conferences of the Labour Party since the formation of the Labour government, especially the miserable and ignominious defeat at the last one, was not at all accidental but rooted in the objective development of events. In contrast to the previous Labour governments, far from the lefts gaining in support, the present period has been marked even during the dollar crisis, by a strengthening of the right wing leadership of the Labour Party. It reflects the mass consciousness in the past two years. It is a law of development within the mass organisations of the working class, that left reformist or centrist currents develop on the basis of deep-seated opposition to the right wing leadership on the part of the rank and file. Currents of opposition within the Labour movement will not flourish without mass backing. The 'leaders' are pushed from below by the pressure of the rank and file. It is thus that the processes in the country reflect themselves through the opportunist leaders inside parliament and within the mass movement. Where deep-seated processes of differentiation have not taken place, the 'opposition' can only make the feeblest of gestures. This mood of 'wait and see' has had peculiar results inside and outside of the labour Party. The

masses are going through the experience without, up to the present time, directly participating in the life of the Labour Party. In the last period the reflection of the economic and political situation has been a general political lull which has affected not only the Labour Party, but all left wing organisations. The circulation of the left wing Labour press has dropped considerably. The rump of the ILP, incapable of withstanding the lack of political life in the workers' movement, is fast disintegrating. The Communist Party has suffered heavy losses since Labour came to power. While losing support in the political field, they have however, entrenched their positions in the trade unions where they are preparing points of support for a surge forward in the period that lies ahead.

An important element in the stability of the Labour government has been the fact that the Stalinists have consistently attempted to sabotage any movement of the workers in the direction of struggle, and have rendered powerful support to the Labour leadership.

### Campaign

Had the Communist Party come out in a full scale campaign against the Labour government on a 'left' programme, encouraging instead of sabotaging strike struggles, then the difficulties of the government would have been immeasurably increased. After the first honeymoon period, the Labour leaders have been compelled to call a halt as a result of the drying up of the American loan at an unprece-

dent speed. They thought it would carry them through until 1950. After two years of reforms and semi-reforms, they are now introducing counter-reforms. With the ending of immediate American aid, resulting in the 'gap' until the Marshall Plan is put into effect, the Labour leaders have embarked on a plan of 'austerity'. They have begun to make cuts in the consumption of the masses. Beginning with the middle classes, whose standards are affected by the basic ration cut in petrol and the restrictions on travel abroad, there has come the cut of 14% in the meat ration, and a reduction in clothing, household and other consumption goods, which also affect the working class. At the same time, these are announced as only the first of more cuts to come. Freezing of wages, slashes in subsidies, longer hours, have been among the suggestions of the Tories and their representatives. However, under the pressure of the trade unions, the Labour leaders have retreated on the wage freeze, and while longer hours are being introduced, they are to be worked at overtime pay. A general intensification of Labour is demanded of the working class. But these attacks, coming as they do on the back of reforms introduced in the first two years, will not provoke immediate repercussions among the workers on a similar scale to the corresponding previous period. The reaction of the workers will first be seen on the industrial field, with a political reflection only at a later stage. This was clearly seen in Grimethorpe, where the miners evinced a bitter hatred for the capitalist Coal Board, but at the same time expressed their unshaken faith and confidence in the Labour government.

### Marginals

In two by-elections held soon after the crisis cuts were announced, Labour retained its seats, even in so marginal a constituency as Edge Hill. It is the US imperialists' appreciation that Labour can 'hold the line' in forcing sacrifices from the workers without serious immediate repercussions, that has led them to the decision that Italy and France will be given immediate aid in the interim period, and that Britain can wait. They gave Britain the biggest loan that any European nation



has hitherto received, because Britain was their most important base in Europe. They know that there is no likelihood of an immediate turn of the masses against the Labour government. If the pressure of the working class becomes strong, the reserves of Britain will have to be used and then America will come to her assistance.

### Struggles

As a result of the cuts, the struggles on the industrial field will be intensified. Any attempt to make far reaching and serious inroads into the standards of the masses will be followed by a series of strike struggles which will shake the Labour government. But it is precisely the recognition of this factor which stays the hand of the Labour leaders. In the last two years, the moment the workers took to militant struggle (dockers, transport, miners) important concessions were granted. In the period of counter-concessions, the moment the workers show evidence of strong militant resistance, the Labour government and the employers

will be compelled to retreat. The relationship of class forces in a period of economic boom and full employment, plus the foreshadowed loan, makes it



more expensive to provoke a widening series of strike struggles, than temporarily to retreat, exert further pressure on the workers, and then, if necessary, retreat again. While the Marshall Plan will further enslave the Western European countries—including Britain—and tie these countries to the needs and orientation of Wall Street, it will at the same

time tend to balance the economies of these countries in such a way as to ensure a rising curve of economic development in the next few years. In Britain, this will result in relatively stable economic and political relations. Sections of the workers will inevitably come into collision with the Labour government on many questions. If further sacrifices are demanded from the workers, large-scale industrial struggles will result. Opposition to the leadership will spread inside the Labour Party itself. But no great break-away can be expected during this period.

Reformism is deeply rooted in the ranks of the British working class. Before any large-scale turn from Labour to more radical politics can be visualised, the Labour Party's policy must be fully experienced by the working class.

### Incapacity

The total incapacity of the third Labour government to transform society and create stable economic conditions for the mass of the population will be

most fully exposed in the period of the next world-wide slump of capitalism. The basis of reformism will be shattered. The Labour Party will be rent from top to bottom. The workers, especially the most militant and courageous, will seek radical and revolutionary solutions, whilst the capitalist class will really begin to subsidise and organise the fascist movement in preparation for a deadly reckoning with the working class. All the illusions of the Labour leaders will come up against the stern reality of declining capitalism—above all, the collapse of British imperialism. The economic base for reformism will have the ground cut away from beneath it. America, faced with her own crisis of over-production and slump, will not be able to continue to bolster up British capitalism. The complete inadequacy of reformism ever to give lasting reforms will be revealed. in the upheavals that impend.

October 1947

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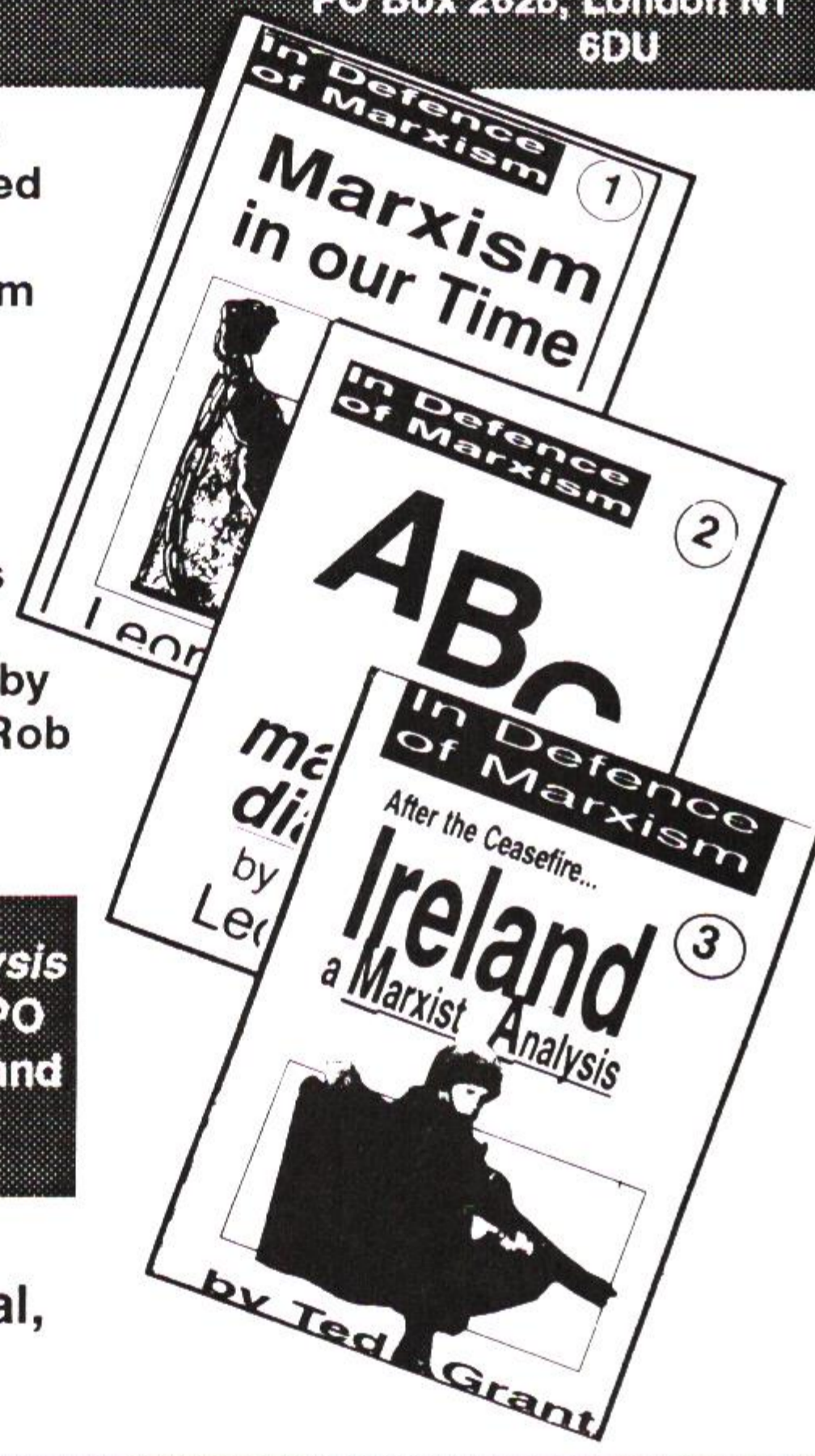
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Michael Roberts asks the question..

# After the Fall of the Wall: Where's the Prosperity?

Since the fall of the Berlin Wall in 1989 and the collapse of the stalinist regimes in central and eastern Europe, governments committed to restoring or establishing capitalism have been in power, promising a land of milk and honey to their people based on a market economy and Western-style 'democracy'. But the reality has been a sharp shock to all but a small elite of ex-bureaucrats and budding capitalists.

Instead of the prosperity and growth promised in 1990, the ex-Stalinist states have been plunged into the deepest and longest slump in the history of modern society, much deeper and more extensive than even the Great Depression of 1929-33. The most advanced states in Eastern Europe are the Czech and Slovak republics, Poland and Hungary. In the last four years, national output in the Czech republic has fallen nearly 20%, in Slovakia it has fallen 25%, in Poland it has fallen 5%, and in Hungary it dropped 17%. In the states that used to make up the old Soviet Union, the drop has been even worse (Russia is down 52% and still falling, Belarus down 53%, Georgia down over 100% and Ukraine 63% off its 1990 level). The Baltic states have not fared much better: Latvia down 49%, Lithuania down 63%, and Estonia off 40%. These are staggering declines in output and living standards, especially as they have been accompanied by high inflation and even hyperinflation in many states.

## Suffering

It hardly bears thinking about the suffering that this has caused for the vast mass of the hundreds of millions who have lived through this nightmare. The slump is a clear product of the collapse and dismantling of the decisive state sector of the economy, the ending of the planning mechanisms to run the economy, and the stuttering failure of the capitalist

market to replace it. Where governments have tried to preserve some industrial capacity and jobs, they have been forced to print money to pay wages and buy raw materials. The result has been hyperinflation. Alternatively where they have gone for a 'big bang' and privatised the state sector, selling them off at ludicrously low prices, or giving them away to ex-bureaucrats, spivs and gangsters, or just closing them down, unemployment has soared. For those keeping a job wages are now pitifully low. Hungarian workers are the best paid in Eastern Europe and they earn an average of £45 a week with inflation at 20%. Russian workers earn an average of £15 a week with inflation at 200% a year!

## Slow down

The political reaction of people has been to elect governments that promised to slow down the move to the 'market economy' and ease the burden of transition. In Poland we have a coalition of ex-Stalinists and the Farmers party, in Hungary again the ex-Stalinists; in Slovakia a nationalist anti-foreign investor party has been returned. In Lithuania and Latvia the ex-Stalinists rule, as they do in Ukraine, Georgia and Belarus. In Russia, the openly pro-market Yeltsin-Chernomyrdin government cannot command a majority in parliament. Yet all these governments has reneged on their promises and continued the policy of privatisation. Under pressure from capitalist elements inside and foreign interests outside, they have continued to dismantle the state sector and hand it over to private owners. It is still the case most productive assets remain in state ownership, but without a plan and without funds they cannot invest or sustain production. As a result, most growth in these economies comes from the new private sector. The private sector now contributes 65% of national output in

the Czech republic, 55% in Slovakia, Poland and Hungary. The Baltic states record similar proportions. Even Russia gets 50% of its current dismal output from private producers. In the rest of the former Soviet Union and the poorer states of Eastern Europe, the private sector remains relatively weak.

## Chasm

But there is always a bottom to every chasm. And Eastern Europe at least seems to have reached it. Given the limited help of some Western investment (mainly German) and the recovery in trade with Western Europe, the four leading Visegrad states of Poland, Czech Republic, Slovakia and Hungary, along with the Baltic states, have started to turn around. They now are growing, if from a very low base. In 1994 the Czech republic grew 3%, Poland 5%, Hungary 1% and Slovakia 1%. The tiny Baltic states rose 4-5%. They desperately look to the European Union to open their markets so the budding capitalists and private farmers can sell their cheap produce into the homes of British, French and German workers. But the capitalists of the

European Union are fearful of the competition. If they were to allow the farmers of Poland to sell freely into the West, they would wipe out the rich subsidised big farmers of Western Europe. If they were to allow Eastern European coal, steel, textile and raw material producers to sell freely, many Western European businesses would go to the wall. So while the EU states want these states in membership, partly to keep them out of the hands of big bear Russia, and partly because they wish to exploit their resources of cheap labour, they are moving very slowly. Membership of the EU is unlikely even for the Visegrad states before the end of the century.

## Without success

The ex-stalinist states continue to stagger towards a market economy but their pro-market governments are running out of time to succeed. And without success, the reaction of their people could take much sharper turn than hitherto. The issue of the market versus state ownership and the stabilizing of capitalist rule in these states is still not settled yet.



# PASOK at the crossroads

**With the beginning of a new left wing within the Greek Socialist Party, PASOK, a new situation opens up in Greece. In June 1993, PASOK was returned to power after five years of the capitalist New Democracy (ND) government of Mitsotakis. The attacks of the ND government prepared the way for a sweeping PASOK victory which gained nearly 47% of the vote.**

Unlike the previous PASOK government of 1981-89, which benefited from the world boom, this time Greek capitalism is in deep crisis. With stagnant production, Greece's public debt amounts to more than 110 per cent of gross domestic product. According to the EU's convergence programme, aimed at meeting the Maastricht target for economic

and monetary union, this debt has to be drastically reduced. As a consequence, Papandreou has embarked on an austerity programme of cuts, wage restraint and privatisation. He hoped that privatisation of state companies would net about one billion pounds, but the plan has run into difficulties. The attempt to sell off OTE, the public telecom giant, in the face of trade union opposition has been shelved. The bill paving the way for privatisation of OTE had a stormy ride through parliament with 12 PASOK deputies, mainly ex-trade union leaders, abstaining or voting against it. The counter-reforms of Papandreou has led to disillusionment. In the Euro elections PASOK's vote fell to 37.6%, and only recovered slightly to 42% in the recent local elections. The Greek Tories did not benefit,

receiving less than their 1993 general election vote. Although they won the mayors in Athens and Thessaloniki, they have deep internal splits, with the resignation of Mitsotakis.

Although in the local elections the left won 55% and the right 45% of the vote, there was a fall in the turnout and an increase in the blank votes. The blank votes increased in the cities from 2% in 1993 to 10-12%. The disillusionment with PASOK also saw a rise in the vote for the Communist Party and the Euro-communists (although the latter were in an electoral alliance with PASOK). The counter-reforms of the government has given rise to ferment in the ranks of PASOK. The imposition of local candidates by the leadership led to local branches opposing the leadership and other independent

PASOK candidates stood in the elections. Some independents got up to 16% of the vote in the first ballot in the key cities. In Athens, where a left has been established within PASOK, a Left PASOK candidate was elected to the shock of the party establishment.

The honeymoon period is clearly over for Papandreou, and the discontent in the rank and file is increasing. Gone is the euphoria of the earlier period. A new left is beginning to emerge around the ex-PASOK Minister, Tsavolas. As the austerity measures continue, the Left will become a focal point for all the opposition in the party and the trade unions.

Papandreou is likely to stand for President next April or retire, which will open up a concerted struggle in the party. If parliament fails to elect a new president, there will be a general election. The whole situation is becoming increasingly volatile. The role of the Left, including the Marxist wing, in PASOK will be decisive in the next period. Their task is to rearm PASOK with a bold socialist programme to answer the needs and aspirations of the Greek workers.

**Our Greek Correspondent**

## Belgian election warning

The council elections of 9th of October stand as a new 'black Sunday' in Belgium politics. Since November 1991 the extreme right wing parties in Belgium have increasingly dominated the political agenda. This time, the Socialists had a spectacular success in areas where they had been in opposition but lost where they had been in coalition with other parties and had lost their distinct profile as a separate party. Greatest concern however surrounds the results in Antwerp, traditionally considered a political laboratory in Belgium. Here the extreme right wing Vlaams Blok got 28% of the vote—nearly 1 in every 3 of the votes cast. This has produced a real shock within society and amongst the Labour movement in particular—especially since the analysis of exit polls showed that 8000 votes went straight from the Socialist Party to the Vlaams Blok with 30% of the socialist trade union members and 25% of the Christian trade union members voting for them. There is a clear correlation between the vote for the extreme right and the failure of the Socialist Party to offer a way out of the crisis. The union leadership must also accept some responsibility after their poor conduct in the 1993 general strike. The youth have shown a general feeling of defiance towards all the established parties. However in places such as Antwerp a polarisation was shown to be taking place with 29% of those under 25 vot-

ing for the Vlaams Blok and 20% voting for the Greens. The other big parties only got 10% each of the youth vote. The election results have revealed considerable political volatility. This reaction has its roots in social insecurity and the lack of a socialist alternative. Almost a third of the active population is either out of work or dependent in one way or another on unemployment benefit. Where workers get jobs they are part-time, short contract, 'flexible' hours or just badly paid. The coalition (Socialist and Christian Democrat) government of Belgium looks set to continue in power until the next general election. Meanwhile they hope to reap the fruit of the savage austerity programme and the beginnings of the long awaited economic recovery, in order to see them through. However, the recovery is most unlikely to bring a substantial decline in unemployment. A government body calculated that until 1998 only 1.5% of the unemployed will get a job as a result of any expected recovery. Although the effects of the recession are still being felt (especially in the metal sector for example), some sections of the working class are already starting to enter into struggle as an anticipation of the social unrest that will accompany any 'recovery'. Workers at Volkswagen in Brussels have been forced to strike against speed up and announced sackings. After 3 weeks on strike the Volkswagen

workers gained a partial victory through a reduction in the working week to 35 hours (but with 10 minutes of that reduction being paid for by a cut in wages). The most important thing, however, was that the mood of the workers and activists after the strike was far more confident than had been the case after previous strikes.

There have been a number of important developments since the elections. The conference of the socialist trade unions showed a clear radicalisation on the left with divisions showing themselves in the leadership. The conference called for a 32 hour working week with no loss of pay in order to combat unemployment and also passed resolutions in support of its socialist aims and against attempts by the right wing to remove such objectives in favour of more 'nonpolitical' ones. There has also been the biggest movement of students in the French speaking sector since the 70s over cuts in education. The movement has become so strong that the pressure has been felt by the regional French speaking government who have been forced into a partial retreat.

All these developments indicate the instability of the situation in Belgium of which the election results is just one symptom. A succession of sharp shifts, from sudden despair in the minds of workers to renewed energy and activity, are the inevitable ingredients of the coming period. The need for the movement to adopt a clear socialist programme to mobilise the workers and defeat the Vlaams Blok is now critical.

**Vonk/Unite Socialiste supporters**

In the first of a two part article *Alan Woods* and *Ted Grant* examine the political questions that are facing the masses of the colonial world under the pressure of the attacks of imperialism.

# Which way for the colonial world?

**The period since the Second World War has been one of uninterrupted turmoil in the underdeveloped capitalist countries. The people of Africa, Asia and Latin America, amounting to two thirds of the human race, derived little benefit from the fireworks display of economic growth in the industrialised West. They remained hungry spectators at the feast of world capitalism.**

Even the relative development of industry made possible by the world economic upswing of 1948-73 did not prevent a fall in living standards for most of these countries, leading to a general economic and social crisis.

The colonial revolution has brought the multi-millioned masses of Africa, Asia and Latin America to their feet. They have erupted with explosive force onto the stage of world history, where they are destined to play a key role. Above all the emergence of the colonial proletariat, which has displayed tremendous vitality and heroism in Argentina, Brazil, Korea, India, Pakistan and above all in South Africa, is one of the most important phenomena in modern history.

## Semi-colonial

It should never be forgotten that in 1917 Russia was a backward semi-feudal country, which despite being one of the main imperialist powers, had many features of a semi-colonial state. The Russian revolution began as a healthy workers' state, with the working class at the head of the peasant masses, under the leadership of the Bolshevik party. The perspectives of Lenin and Trotsky was based on internationalism. Only the victory of

the revolution in Germany, Austria, Britain and France could guarantee the future of the Soviet State and create the material basis for a movement towards socialism, on the basis of a socialist federation, uniting Russia with the industry and technique of Western Europe. It was the isolation of the revolution in a backward peasant country which brought about its degeneration along the lines of bureaucratic totalitarian Stalinism.

## Betrayals

The failure of revolution in the West, in turn, was brought about by the betrayals of the reformist leaders in the period 1917-1921. This laid the basis, not only for the Stalinist degeneration of the Russian revolution, but for the victories of Mussolini and Hitler, and the horrors of a new world war.

The Chinese revolution of 1949 was the second greatest event in modern times. However, it did not take place in a classical way, but in the form of a peasant war, in which the working class did not play the leading role. Mao Zedong used the peasant army to smash the old Kuomintang state and then manoeuvred between the classes to expropriate the weak national bourgeoisie and install a Stalinist regime, in the image of Moscow. The Chinese revolution therefore began where the Russian revolution had ended: as a monstrous one-party bureaucratic totalitarian state—a regime of proletarian Bonapartism.

In the decades following the Second World War, the impasse of capitalism in the Third World was revealed by the establishment of regimes of proletarian Bonapartism not only in China

and Eastern Europe, but in North Korea, Vietnam, Cuba, Syria, Burma, Ethiopia, Angola, Mozambique, Somalia and Afghanistan.

## Crisis

To one degree or another there were tendencies in the same direction in many ex-colonial regimes. The desperate crisis of the economy, the need to drag society out of backwardness, and the manifestly corrupt and decrepit character of the colonial bourgeoisie produced a general tendency in the direction of nationalisation and 'state capitalism.' It is significant that most of the bourgeois leaders were compelled to describe themselves as 'socialist.' These phenomena reflected the complete dead-end of capitalism in the ex-colonial countries, its utter inability to pull society out of barbarism and into the twentieth century.

The crushing domination of the world economy is the single most important fact of the mod-

ern epoch. No country, no matter how large and powerful, can free itself from this domination. The Soviet Union and China, despite their colossal size, vast mineral resources and agricultural potential and huge reserves of manpower, were compelled to abandon their disastrous experiment with autarchy ('socialism in one country'). They are now forced to participate in the capitalist world market. In fact, the achievement of formal independence, while undoubtedly a progressive development, has solved none of the fundamental problems of the ex-colonial countries. The exploitation of the peoples of Asia, Africa and Latin America has become enormously intensified in the post-colonial epoch.

Nominally independent, they are even more enslaved than before. The economies of these countries are tied by a million chains to the chariot of world imperialism, which exercise its domination through international trade and the mechanisms of



the world market. According to figures published by the UN Development Programme for 1992, the gap between rich and poor countries has increase inexorably over the past decades. Since 1960 the share of the world's gross product of the richest 20% grew from 70.2% to 82.7%. This means that the industrialised capitalist countries are now 60 times wealthier than those countries where the poorest 20% live. The gap between the two has doubled in the last thirty years.

### Reality

However, even these figures understate the reality. In the advanced countries of capitalism, millions live in poverty, while the Third World has its share of wealthy parasites and exploiters. The same report reveals that the difference of income between the world's richest billion and the world's poorest billion is more than 150 to one.

The gulf that is opening up between the classes, the unbearable accumulation of misery, agony and toil in the colonial masses, is causing alarm even among the most obtuse representatives of the capitalist class.

The right wing magazine *The Economist*, which advocates Thatcherite monetary policies for the Third World, recently admitted that "when very rich and very poor people live near each other, it can be dangerous as well as distasteful." (25/4/92). The rapid growth of inequality exists not only between rich and poor capitalist states, but also within them. The top 20% of Brazilians get between 26 and 33 times as much as the poorest 20%. The poorest economies have only 1% formal world trade between them, and receive just 0.2% of world private investment.

The 'aid' dispersed by the imperialist states, apart from being niggardly, is directed to those Third World countries which have markets and raw materials needed by the moneybags of the West. Thus, the richest 40% of the Third World gets twice as much aid as the poorest 40%. Much of the aid is spent on arms. Countries which spend more than 4% of their gross national product on their armed forces get twice as much aid as the more 'peaceable' ones. In any case, what is given in aid represents only a fraction of the

fabulous amount extracted from Africa, Asia and Latin America in super-profit, through the terms of trade and interest on loans.

### Imperialism

In his classic work on imperialism, Lenin pointed to the export of capital from the metropolitan imperialist countries to the colonies as one of the principal features of imperialism. Now this process has been thrown into reverse. There is an immense outflow of capital from the Third World to the advanced capitalist countries, to the tune of \$21 billion a year in interest repayments alone. At least \$50 billion a year is siphoned off through the terms of trade, which, to use Marx's phrase, represents the exchange of more labour for less. The price of raw materials has fallen steadily while that of the manufactured goods exported to the Third World by the West has risen. The resultant 'scissors' effect has remorselessly driven down living standards in the Third World, and pushed its economies to the edge of bankruptcy and ruin. While, in theory, price levels are determined by 'free market forces,' in reality the giant multinationals combine to force down

increasing indebtedness of the Third World. The accumulated debts of these economies amounted to the staggering sum of \$1,300 billion in 1990, and is only slightly less in 1991. Most of this money will never be paid back, yet the shylocks of the West demand their interest, which is squeezed from the blood, sweat and tears of millions of men, women and children.

Despite all the hypocritical talk about 'free trade' and 'liberal economics,' the imperialist states have erected tariff barriers against Third World exports, particularly in agriculture, where the USA and the EC dump their farm products, while blocking cheap imports from poor countries.

Where certain former Third World countries in Asia have managed to increase their share of world trade, (Korea, Taiwan, Hong Kong), the West has responded by increased protectionist measures to keep out their exports.

According to the UNDP, out of 24 advanced capitalist countries, 20 are now more protectionist than a decade ago. The Multi-Fibre Agreement is a case in point. The World Bank estimates

of influence in the colonial world. Compelled by the colonial revolution to abandon the method of direct military rule, the imperialists exercise an even more crushing control through the mechanisms of the market and world trade.

Despite decades of formal 'independence' the economies of Latin America, Africa and Asia are even more dependent upon imperialism than in the past. The recent GATT agreement, which will solve nothing fundamental even for the advanced capitalist countries, spells disaster for the Third World, which will gain nothing from it. The minority of Asian economies which have succeeded in reaching high rates of growth in the recent period are dependent on markets in the advanced capitalist countries. To the degree that they become a serious competitor, they will find their products kept out by all kind of protectionist measures.

### GATT

Before the ink was dry on the new GATT agreement, Washington was threatening Tokyo with all manner of things to compel the Japanese to open their markets to American exports. South Korea, Taiwan, China and Malaysia will learn the same painful lesson, once their goods begin seriously to threaten the interests of US imperialism.

The growing antagonisms between the US and Japan is only the most obvious symptoms of the increased tension between the main imperialist powers, who are engaged in a ferocious battle for markets on a global scale.

In this conflict of Titans, the secondary bourgeois economies of Asia are not in a position to compete as serious contenders. The deepening crisis of world capitalism will have a devastating effect on the 'newly emerging economies,' dependent as they are on the vagaries of the world economy and trade. And for the weaker colonial countries of Africa and Latin America, the outlook is grim indeed.

### Upswing

Even in the period of general upswing in the capitalist world economy, we saw an unprecedented development of the colonial revolution. These were the biggest movement of the peoples since the fall of the Roman



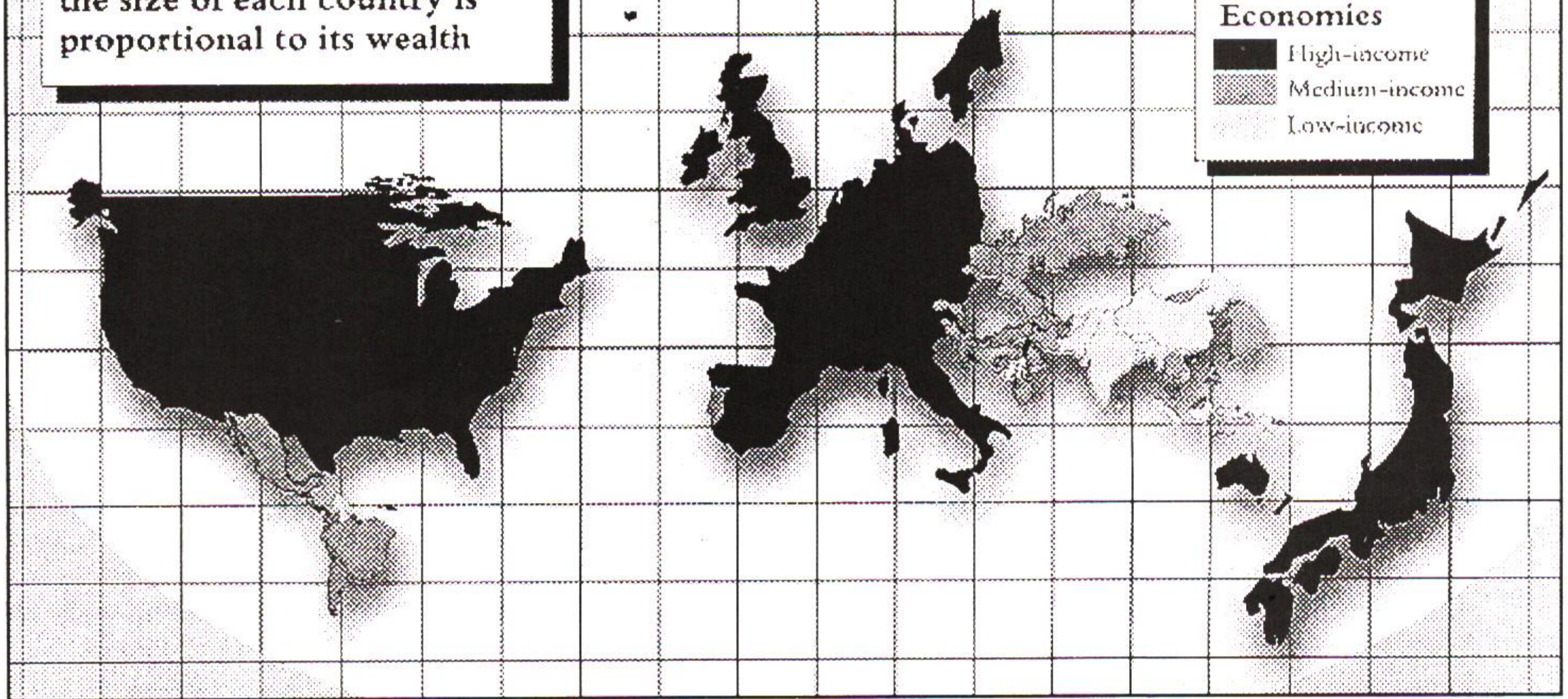
the price of raw materials, utilising their strategic stocks and all manner of price-fixing devices. The colonial countries are compelled to run ever faster, not to stand still, but to go backwards. For example, Ghana increased its cocoa output by 50% between 1983-89, but received less revenue than before. In 1990, coffee exports increased 4%, but export earnings fell 22%. This explains the ever-

that this alone has reduced potential textile exports from the Third World by \$75 billion. By the end of 1990, GATT member states had introduced 284 different arrangements to stop their people from buying cheap goods from Third World countries. The heightened contradictions between the main imperialist powers finds its most acute expression in a struggle for markets, raw materials and spheres

**How rich we are:**  
the size of each country is  
proportional to its wealth

**Economies**

- High-income
- ▨ Medium-income
- Low-income



Empire. They brushed aside the military might of Britain, France and even the colossus of US imperialism. In some cases, the revolution ended in the abolition of landlordism and capitalism. The spread of proletarian bonapartist regimes was a reflection of the inability of capitalism to meet the needs of society.

**Revolutions**

The distorted character of these revolutions was the result of the absence of a conscious Marxist leadership, such as existed in Russia in 1917. On the other hand, it was a result of the delay of the socialist revolutions in the advanced capitalist countries. The workers and peasants of Africa, Asia and Latin America, faced with a nightmare of backwardness, poverty and starvation, cannot wait for the workers of Europe, the USA and Japan to take power. They are compelled to try to find a way out by taking power into their own hands.

Under a genuine Marxist leadership, with an internationalist perspective and based on workers' democracy, the revolution in an ex-colonial country like India, or Mexico could be the starting point of the world revolution. But the revolutions in Vietnam, Cuba, Angola, Ethiopia, etc. took place in a bonapartist fashion, led by guerrillas or left-wing army officers who took as their model not the Moscow of Lenin, but the Moscow of Stalin and

Brezhnev, or the China of Mao—that is, monstrous one-party, totalitarian regimes—not socialism, but the exact opposite of socialism.

The abolition of landlordism and capitalism, and the introduction of a nationalised planned economy represents a colossal social conquest. Despite the bureaucracy and the lack of democratic workers' control and management, it could have led to a development of the productive forces and an improvement of the conditions of the mass of the population. That was the position, not only in Eastern Europe, but also in Cuba, which until recently enjoyed the best health and educational conditions of the whole of Latin America. The existence of powerful proletarian bonapartist states in Russia and China had a decisive effect on the form taken by the colonial revolution in the last period. Without this, the revolution would have developed differently.

A genuine Leninist leadership in Moscow would have immediately offered to form a socialist federation with China and Eastern Europe after the war. The combination of the economies of these countries would have been to the mutual benefit of all the peoples. But the national limitedness and blinkered bureaucratic psychology of Stalin prevented even the formation of a Balkan Federation, favoured by Tito and Dimitrov, thus compelling each of the

small Balkan states to develop separately. The peoples of the Balkans are still paying the price for this crime of Stalinism. If the mighty USSR and China could not escape the domination of the world market, what chance did Mozambique or Ethiopia have? A genuine internationalist policy would have involved the inclusion of all these states as part of a world socialist federation of the Soviet Union, China, Eastern Europe, Cuba, Angola, Mozambique, Syria and the rest. This would have given a tremendous impetus to the development of all the economies. Instead, each national bureaucracy pursued the chimera of 'building socialism' within its 'own' frontiers. In fact, there was less economic integration between them than between the capitalist economies of the EC. This was a recipe for disaster. Not one of the proletarian bonapartist regimes was able to solve the national question. In the Soviet Union for a time, the growth of the productive forces and increased living standards ameliorated the age-old tensions between the nationalities.

**Yugoslavia**

The same was true of Yugoslavia, which also experienced a development of the productive forces under the nationalised planned economy. However, the proletarian bonapartist regime in Ethiopia, basing

itself on the Amharic speaking majority, pursued a vicious war against national movements in Eritrea, Tigre and Harerge, which undermined it completely. Similarly the monstrous, xenophobic proletarian bonapartist regime in Myanmar (Burma) is waging a genocidal war against the Karens, Shans and other minorities. The insane nature of the regime is shown by its military expenditure which now amounts to \$1.3 billion a year, or one third of its total budget. The war is undermining the economy and creating unbearable conditions for Burmese and non-Burmese alike. Inflation is about 50% a year, while wages are frozen for three years. According to UNICEF, 10% of children under three suffer from malnutrition. As in Ethiopia (which is threatening to break up into its constituent parts) the national question is the Achilles heel of the regime. The case of Mozambique and Angola is somewhat different. The victory of proletarian bonapartist regimes in strategic countries of Southern Africa set the alarm bells ringing not only in Pretoria, but also in Washington. Had they been permitted to consolidate and build up a nationalised planned economy, which would have been possible with the assistance of Russia and China, Mozambique and Angola would have become poles of attraction for the peoples of black Africa, and a mortal threat to South Africa itself, in the



same way that Cuba was a point of reference for the workers and peasants of central and Latin America.

From the outset, US imperialism and South Africa set out to destabilise Mozambique and Angola. As in Afghanistan, they did not hesitate to mobilise the 'dark forces'—the bandits, cut-throats, thieves and all the most savage, primitive and predatory elements in society.

With the aid of huge sums of money and the most modern weapons and foreign advisers, the forces of counter-revolution wrought havoc. Twelve years of bloody civil war have been successful in sabotaging the attempt to rebuild the shattered economies of Angola and Mozambique. Bridges, railways

and communications were destroyed, the economy ruined and the population reduced to semi-starvation.

Under these circumstances, and with the collapse of Stalinism in the Soviet Union, the fate of these weak proletarian bonapartist regimes was settled in advance. The Moscow bureaucracy, aided by Cuban military intervention, effectively underwrote these regimes. The withdrawal of aid completely undermined them. From an economic and military point of view, they could not hope to stand up to the might of South African imperialism.

On the basis of a genuine socialist federation, linking Mozambique, Angola and Ethiopia to the Soviet Union and

China, the outcome would have been different. The reactionary bandits could have easily been dealt with, and the economy could have developed on the basis of a common plan of production. South Africa would have been confronted with a formidable power.

Instead of that, the narrow-minded nationalist outlook of the bureaucracy guaranteed that the revolutions in Southern Africa ended in an abortion. Under the intolerable burden of backwardness, subjected to terrible external pressures, the proletarian bonapartist regimes collapsed.

Since 1986, Joaquim Chissano has renounced 'Marxism,' accepted the dictate of the IMF and capitulated to the demands

of Renamo bandits. A similar development took place in Angola. However, the adoption of capitalist policies can offer no way out for the bankrupt economies of Angola and Mozambique, or even restore peace. The bandits, who have got used to their way of life, continue to rob, murder and sabotage.

On a capitalist basis, the only perspective for these states is a further descent into barbarism. Only the victory of the socialist revolution in South Africa can now offer a way out to the peoples of Southern Africa, on the basis of a socialist federation.

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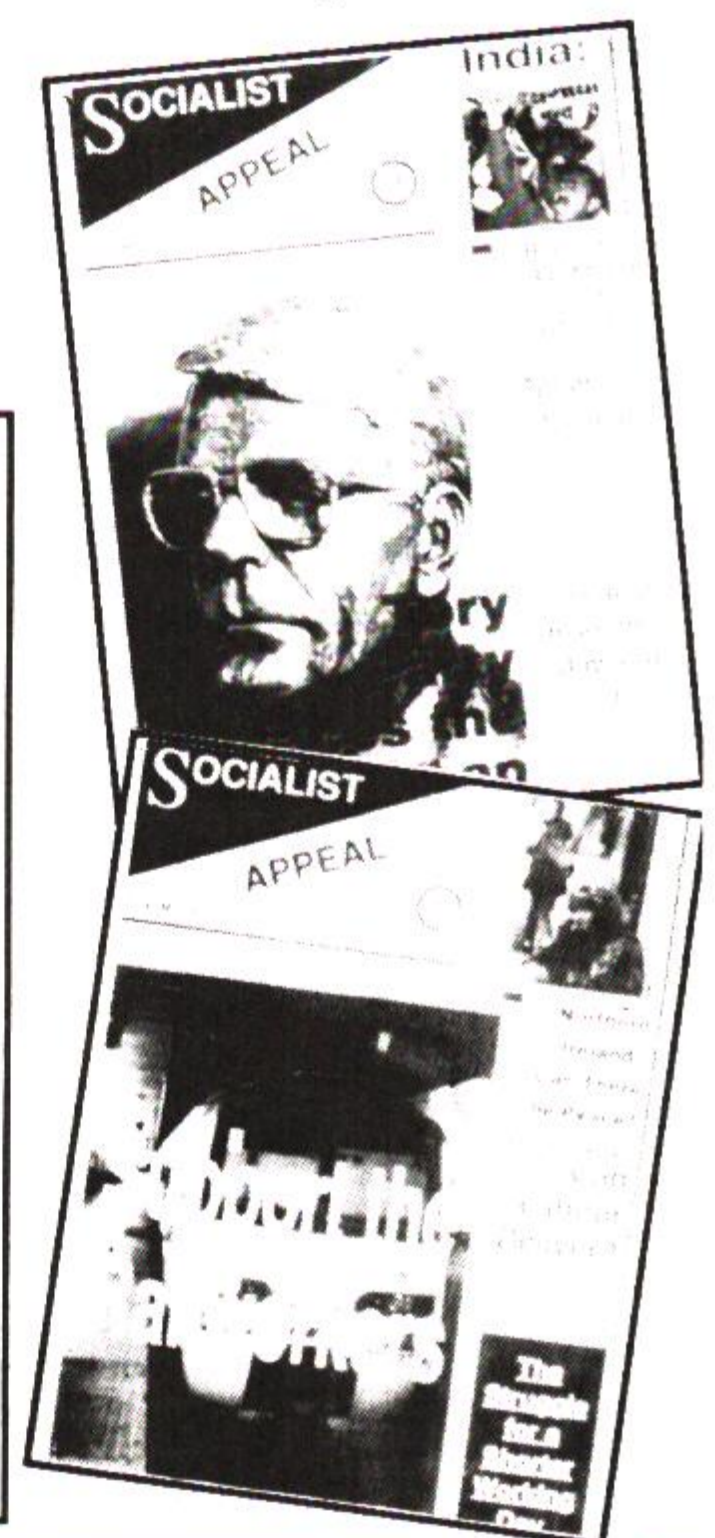
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*In the first of a series to mark the centenary of the death of Frederick Engels, Rob Sewell looks at...*

# The Life of Frederick Engels

**This coming year, 1995, marks the centenary of the death of Frederick Engels, the co-founder, with Karl Marx, of scientific Socialism. To commemorate this event, Socialist Appeal each month will carry material explaining and analysing his life and contribution to Marxism. No doubt, the bourgeois press will ignore this event, but for worker activists and youth a study of Engels's work will enrich their understanding of politics, economics, science and philosophy, but above all, it will illuminate the path of the liberation of the working class.**

Frederick Engels, alongside Marx, was considered by Lenin to be "the most noteworthy scholar and teacher of the modern proletariat in all the civilised world". He was born into a bourgeois family at Barmen in the Rhine province of Prussia on 5th May 1818. His father was a textile manufacturer. In 1838, without finishing his higher education, he was forced by family circumstances to earn his living as a clerk in the family business. In his spare time he studied politics and science and became increasingly influenced by the brilliant German philosopher Georg Hegel.

## Hegel

Hegel's teaching, which had a profound effect in Germany, was revolutionary in that it saw things in a dialectical fashion. That is, everything which exists is in a constant process of change. Engels defined dialectics as "the science of the general laws of motion, both of the external world and of human thought", which represented an enormous advance of modern

philosophy. Hegel, however, was a philosophical idealist. He saw ideas, not as a reflection of the material, but the opposite. For him, the material world was the reflection of the 'Idea' and his philosophy spoke of the development of ideas and the mind. Nevertheless, both the young Marx and Engels came to similar conclusions independently in rejecting Hegel's idealism. Their philosophy was based upon the direct opposite, materialism; an understanding that ideas and thoughts are a reflection of the material world. "Marx and I were pretty well the only people to rescue conscious dialectics" said Engels.

## Dialectics

They gave dialectics a material basis in which to understand the world, which was to become the method of Marxism itself. Its application to history produced the materialist conception of history: "Our theory is that the organisation of labour is determined by the means of production." (Marx to Engels, 7th July 1866).

At first, Engels's political viewpoint was not socialist, but a revolutionary democrat who challenged the autocratic rule of the time. Europe was experiencing a series of bourgeois democratic movements, where the rising capitalist class attempted to challenge the powers of the old aristocracy. It was not until Engels moved to England in 1842, after making his acquaintance with the British labour movement, particularly the Chartists, did he become a conscious Socialist. He settled in Manchester, taking up employment in his father's textile business. His

contact with the English working class encouraged him to write his famous book 'The Condition of the Working Class in England', which appeared in 1845. It painted a vivid picture of the proletariat and was a first-hand indictment of capitalism.

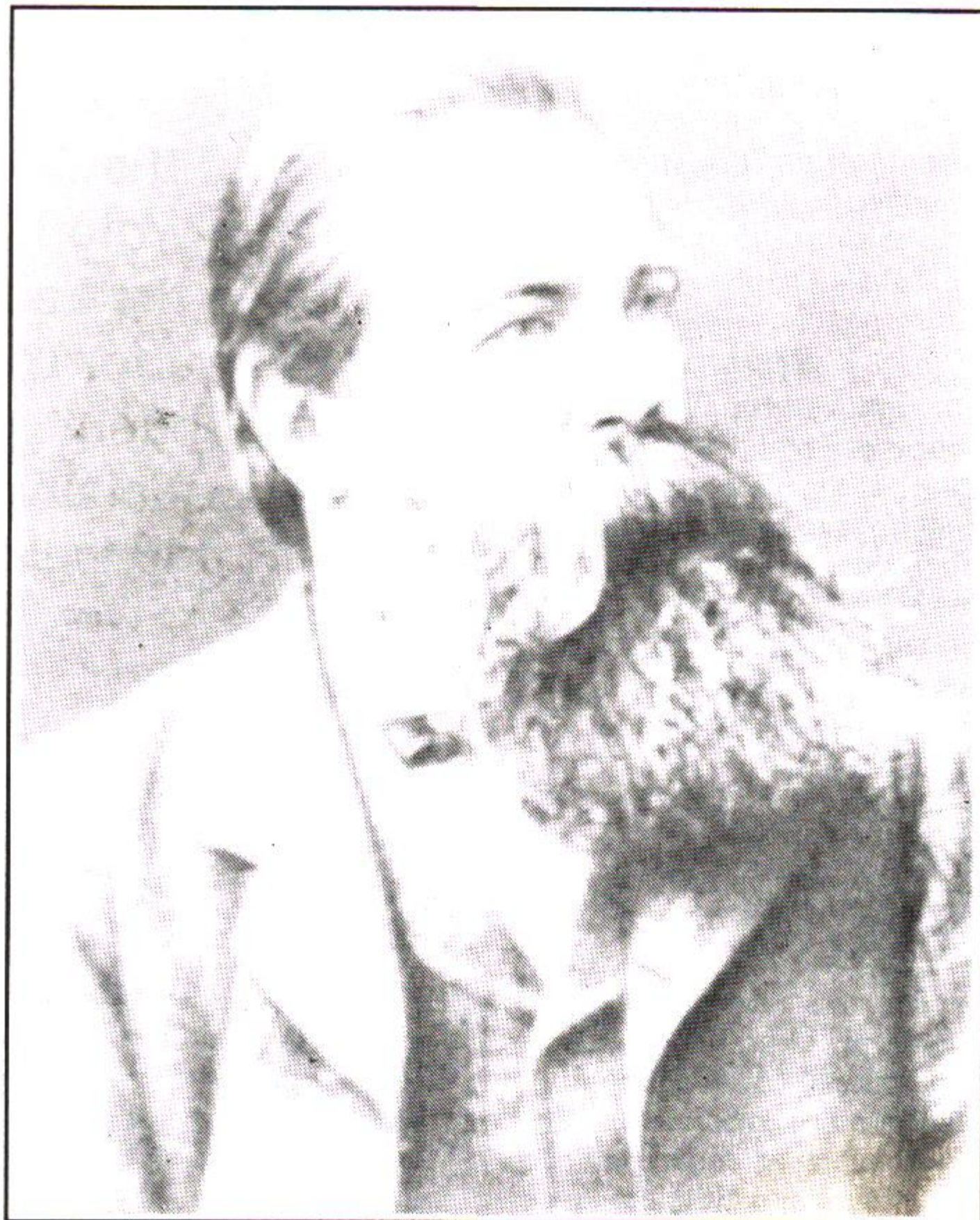
## Chartists

Engels also took an active part in the Chartist movement, becoming close friend of Chartist leader Julian Harney, and regularly contributed to the Chartists' 'Northern Star' and Owen's 'New Moral World'. Engels met Marx in November 1842 at the offices of the radical-democratic newspaper, Rheinische Zeitung, in Cologne. However, it was not until

August 1844, on his way back to Germany, that he met Marx again in Paris. It was there that Marx had become a Socialist under the influence of the French Socialists. This meeting was to begin a life-time of political and personal collaboration. As Marx explained later, "Frederick Engels..arrived by another road at the same result as I". In

that year they jointly wrote a book entitled 'The Holy Family', a tongue-in-cheek title, which mercilessly criticised the Bauer brothers and their followers, who defended the scholastic ideas of the Young Hegelians. In this work, they outlined their materialist conception of history, which they developed later in The German Ideology. This served to completely separate them from the various philanthropists and social reformers, as well as the utopian socialists of the period. They concluded: "The philosophers have hitherto only interpreted the world; the point is to change it".

Prior to the 1848 revolutions in Europe, Engels joined Marx in



Brussels, participating in German worker emigre circles. He later moves to Paris. In 1847, both Engels and Marx agree to join the League of the Just, which changed its name to the German Communist League, quickly becoming its political and theoretical leaders. At the second Congress of the League, they are asked to draw up the programme of the organisation in the form of a Manifesto. The 'Communist Manifesto' is published in February 1848, just prior to the 1848 Revolution. Both men were in their late 20s.

The Revolution of 1848, which broke out in France and spread throughout Europe, brought Marx and Engels back to Germany. At that time, they consistently defended the extreme revolutionary democracy, while criticising mercilessly the servitude of the German bourgeoisie. The latter betrayed the Revolution in a compromise with the old regime which opened up a period of reaction in Europe. The capitalist class was more afraid of the movement of the workers than the feudal reaction. With the defeat of the Revolution, Marx and Engels were then forced to flee to London to prepare for a new revolution, and to work out the strategy and tactics of the working class movement.

However, without independent means, Engels was forced to take up work again at his father's mill in Manchester, while Marx and his family scrapped by on commission for articles written for the 'New York Daily Tribune'.

### Poverty

Throughout this period Engels subsidised Marx's income, but despite this, the Marx family still continued to exist in poverty for many years. In fact, according to Lenin, "Were it not for Engels's constant and self-sacrificing financial support, Marx would not only have been unable to finish *Capital* but would have inevitably perished from want."

Engels was to remain in Manchester until 1870, before moving back to London. During these years when both men were separated, they conducted a practically daily correspondence in an exchange of views on all subjects, and in particular in further elaborating the ideas of scientific socialism. "For

twenty years", recalled Marx's daughter Eleanor, "Engels was doomed to the forced labour of business life and for nearly twenty years the two friends had but rare, brief, occasional meetings. But their association did not discontinue. One of my first memories is the arrival of letters from Manchester. The two friends wrote to each other almost every day, and I can remember how often Moor, as we called our father at home, used to talk to the letters as though their writer were there. 'No, that's not the way it is'; 'You're right there,' etc., etc. But what I remember best is how Moor used sometimes to laugh over Engels's letters until tears ran down his cheeks." The years to 1864 were ones of defending their ideas, establishing points of support, and rebuilding the movement again after the heavy defeat of the Continental Revolution.

### International

1864 saw the formation of the International Working Men's Association or First International. Both Marx and Engels were to play a leading role in this new international workers' movement. Marx was elected to its General Council and was responsible for drawing up its documents. Engels

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**"But his contribution was not only in theory, but closely followed the development of the British trade unions, for which he wrote a number of brilliant articles in the Labour Standard. He also fought for the establishment of an independent party of labour, sharply criticising the sectarianism of the SDF, and welcoming the formation of the ILP."**

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became a member of its Executive on his return to London, and was responsible for liaison with Belgium, Spain and Italy. The International drew together different political tendencies, which Marx and Engels bound together in a united movement. At that time, the International was seen as a threat by the capitalist class worldwide. It had great potential under the leadership of Marx and Engels.

With the outbreak of the Franco-Prussian War in 1870, Engels closely followed its development. His newspaper articles showed his extensive knowledge of military matters which won him the affectionate title of the 'General'. In the same year he gave up work in Manchester and moved to London to collaborate fully with Marx. He lived just ten minutes away from Marx's house in Maitland Park and so saw him practically everyday. After the defeat of the Paris Commune a year later - the first workers' state - reaction set in throughout Europe once again. This brought great difficulties for the young International, particularly compounded by the activities and intrigue of the anarchists. On the decision of the Hague Congress, the General Council was transferred to New York, and Engels became its secretary. Given the worsening international situation, it was agreed to dissolve the organisation in 1876 to preserve its achievements for the future. Within a decade or so, the work of the International, and the deep influence of Marxism, resulted in a widespread development of the European labour movement, and the creation of mass workers' parties.

### Scientific

Throughout the 1870s, in daily contact with Marx, he spent much time investigating the latest scientific theories. In 1878 he finished his very important work, *Anti-Duhring*, in which he expounded the ideas of dialectical materialism, historical materialism and Marxist economics. It was a complement to Marx's own priceless work on *Capital*, volume one being published in

1867. After years of strenuous work in the International and even greater efforts in his theoretical contributions, Marx's health was completely undermined. Ill-health prevented him from finishing *Capital*. His devoted wife died in December, 1881. On 14th March 1883, Marx passed away peacefully. Engels was left to continue their work alone. Five years earlier, Engels had experienced the tragic death of his partner, Lizzi Burns, an Irish woman, who had been heart and soul of Irish independence. With Marx gone, Engels at once threw himself into the onerous task of preparing and publishing the second and third volumes of *Capital*, from the material left by Marx. These volumes can be truly said to be the work of both men. Engels went on to produce 'Origins of the Family, Private Property and the State', 'The Dialectics of Nature' (published as an unfinished manuscript in 1925), together with numerous essays and articles defending the ideas of Marxism. But his contribution was not only in theory, but closely followed the development of the British trade unions, for which he wrote a number of brilliant articles in the *Labour Standard*. He also fought for the establishment of an independent party of labour, sharply criticising the sectarianism of the SDF, and welcoming the formation of the ILP.

According to Friedrich Lessner, a close friend of Marx and Engels, "Engels's capacity and love for work persisted till his death. His great knowledge of foreign languages is well known. He knew ten languages thoroughly: he began to study Norwegian when he was over 70 years old in order to be able to read Ibsen and Kielland in the original".

### Resolution

He spoke for the last time in public in 1883, when he delivered speeches at the Zurich Congress, in Vienna and Berlin. As Lessner observed: "Until his death Engels showed as much calm as resolution and was simple and sincere in all his dealings. No matter what he was questioned about he always gave a brief but authoritative answer. He always spoke his mind frankly, whether people liked it or not." When Engels disagreed

with anything in the Party, he expressed his disapproval immediately and without reserve. He would have no part in shifts or compromises...He received very many visits, Party comrades and others often coming to see him. When Sozialdemokrat had to move from Zurich to London at the end of the eighties the number of visits increased. Engels's house was still open to all". Engels visited Eastbourne, his favourite resort, for health reasons for the last time in the summer of 1895. He returned to London by the end of July but his health had not improved. He passed away on 5th August

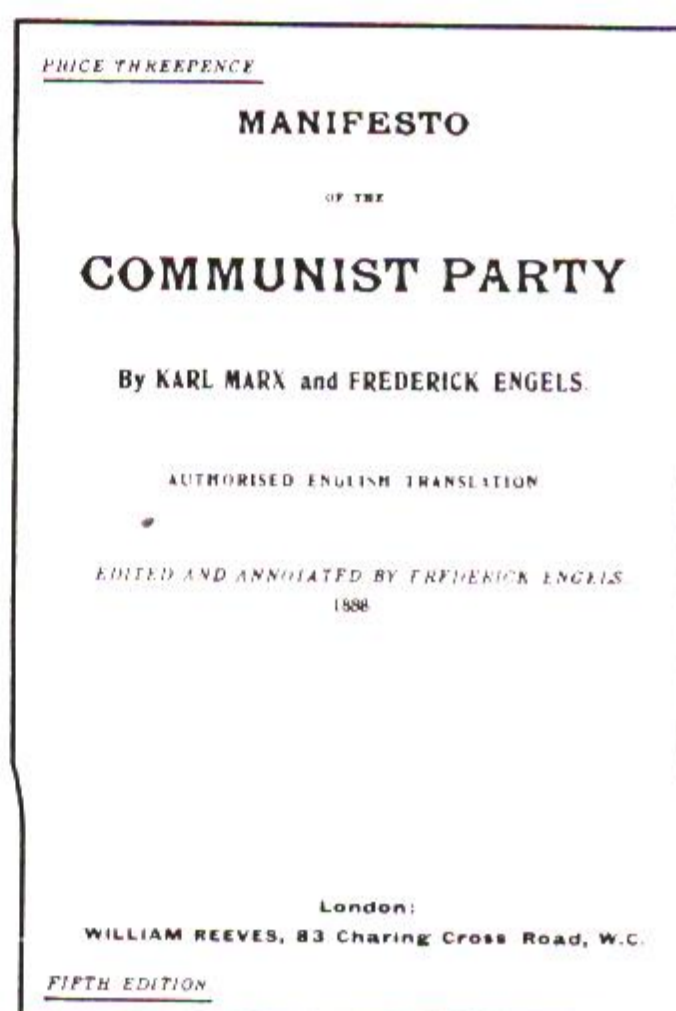
1895. Engels's last request was that his ashes be scattered at sea off Beachy Head at Eastbourne. This was done on 27th August.

### Marxism

Marx has always been considered the dominant figure in their close relationship. Engels himself explained to an old friend: "In Marx's lifetime, I played second fiddle". The enemies of Marxism have always attempted to discredit the essence of Marxism by attempting to turn Marx against Engels. In vain! Their collaboration in theory and practise was as one. As Franz Mehring correctly stated:

"Towards the end of his life Engels used to say that the exaggerated - as he thought - recognition paid to him, would come into the right proportion when he was dead." And that is what happened: today there is more danger of underestimating than of overestimating him... Marx seems to tower above Engels too. But Marx cannot rise without Engels rising with him. For Engels was never just Marx's assistant or interpreter as were many both during Marx's life and after his death. He was his self-dependent collaborator, not his equal, but still his peer intellectually". Engels's affection for Marx

knew no bounds. At Marx's graveside he pointed to Marx's prime achievements in discovering the law of human history and the special law of motion of capitalism. And concluded: "His name will endure through the ages, and so will his work!" This will undoubtedly be the case. But alongside the name of Karl Marx, will be the name of Frederick Engels - the greatest leaders and inspirers of the international working class.



# ON ENGELS

by George Julian Harney

I knew Engels, he was my friend and occasional correspondent over half a century. It was in 1843 that he came over from Bradford to Leeds and enquired for me at The Northern Star office. A tall, handsome young man, with a countenance of almost boyish youthfulness, whose English, in spite of his German birth and education, was even then remarkable for its accuracy. He told me he was a constant reader of The Northern Star and took a keen interest in the Chartist movement. Thus began our friendship over fifty years ago. In later years he was the Nestor of International Socialism. Not more natural was it for Titus to succeed Vespasian than for Frederick Engels to take the place of his revered friend when Karl Marx had passed away.

He was the trusted councillor whose advice none dared to gainsay. Probably the private history of German Socialism could tell how much the Party is indebted to his wise counsels in smoothing acerbities, preventing friction, mildly chastening ill-regulated ambition, and promoting the union of all for each and each for all. The author of Capital was supremely fortunate in having so devoted a friend. The friendship of Marx and Engels was something far from the common, if not positively unique. We must go back to ancient legends to find a parallel. Either would have emulated Pythias's sacrifice for Damon. In their public work as champions of their ideas they were like the 'Great Twin Brethren who fought so well for Rome'. Engels, like, I believe, most short-sighted people, wrote a very small hand, but his

calligraphy was very neat and clear. His letters were marvels of information, and he wrote an immense number in spite of his long hours of original composition or translation.

He attended most of the large Eight Hours Demonstrations in Hyde Park but I doubt if sixteen hours covered his average day's work when he was at his best.

With all his knowledge and all his influence, there was nothing of the 'suck up' or 'stand-offishness' about him. He was just as modest and ready for self-effacement at the age of seventy-two as at the age of twenty-two when he called at The Northern Star office.

Not only his intimate friends, but dependents, servants, children, all loved him. Although Karl Marx was his great friend, his heart was large enough for other friendship and his kindness was unflinching.

He was largely given to hospitality, but the principle charm at his hospitable board was his own 'table talk', the 'good Rhine wine' of his felicitous conversation and genial wit. He was himself laughter-loving, and his laughter was contagious. A joy-inspirer, he made all around him share his happy mood of mind.

(From The Social Democrat, London, January 1897)



Alastair Wilson looks at the development of Soviet art in the 1920's...

# ART AND REVOLUTION

**The Russian revolution of October 1917 shook the world to its foundations and, like the French revolution of the late eighteenth century before it, had a profound impact on ideas, philosophy and art throughout the world.**

Following October 1917 came a period of frenetic artistic experimentation that led to the crystallisation and birth of many of the philosophies that were to underpin later artistic movements across Europe and America. Alongside this there was the tremendous stimulus to the production of art and the development of the search for new forms of 'social art.' The poet Mayakovsky put forward the slogan, "Let us make the squares our palettes, the streets our brushes!" Anatoly Lunacharsky, Peoples Commissar for Public Enlightenment (the Narkompros) urged, at the opening of the State Free Workshops in the former Petrograd Academy of Arts in 1918, "despite our impoverishment.. we are on the way to a flowering of the arts.. a new art has arisen to change the appearance of the towns as quickly as possible, to express the new life in works of art, to get rid of that mass of sentiment which is obnoxious to the people, to create new forms of public buildings and monuments."

## Social

In primitive societies art was very much a social phenomenon. Through folklore, music, painting and sculpting, these societies were able to preserve elements of their history and culture. Later, with the development of class society, art was to be the property of the ruling class, used as part of its domination of society. The revolution of 1917 over-

threw the capitalist order and the new wave of artists attempted a great experiment to unify art and society, the economy and history. The 'avant garde' rapidly rejected "easel painting" - they needed new tools for their art - the camera, the printing press, film, theatre, the poster, architecture. Of course the first battle to be won was against capitalism, therefore the art of propaganda and agitation was to be primary. An early form of this propaganda art was the Rosta poster. Rosta was the state agency for transmitting news and information by telegraph. The Rosta posters were single sided bulletins and posters, hung usually in shops, railway stations and at the front in the civil war. They were large, from about three feet up to about twelve feet high, and produced by stencil. They were initiated by cartoonist Mikhail Cheremnykh, who produced five hundred different designs for Rosta. Mayakovsky was also a prolific Rosta artist, drawing about one third of the total output of 1,600 different designs in two years. The posters were designed and printed overnight in communal printshops. To

begin with stencils were distributed by train, so that the actual production of the same poster could be carried out even in remote parts of the Soviet Union. Later, regional Rosta studios were established. The posters contained not only cartoons and comic narratives but other images, including the abstract art of the early 'constructivists.' One of the most famous was El Lissitzky's "Beat the Whites with the Red Wedge."

## New generation

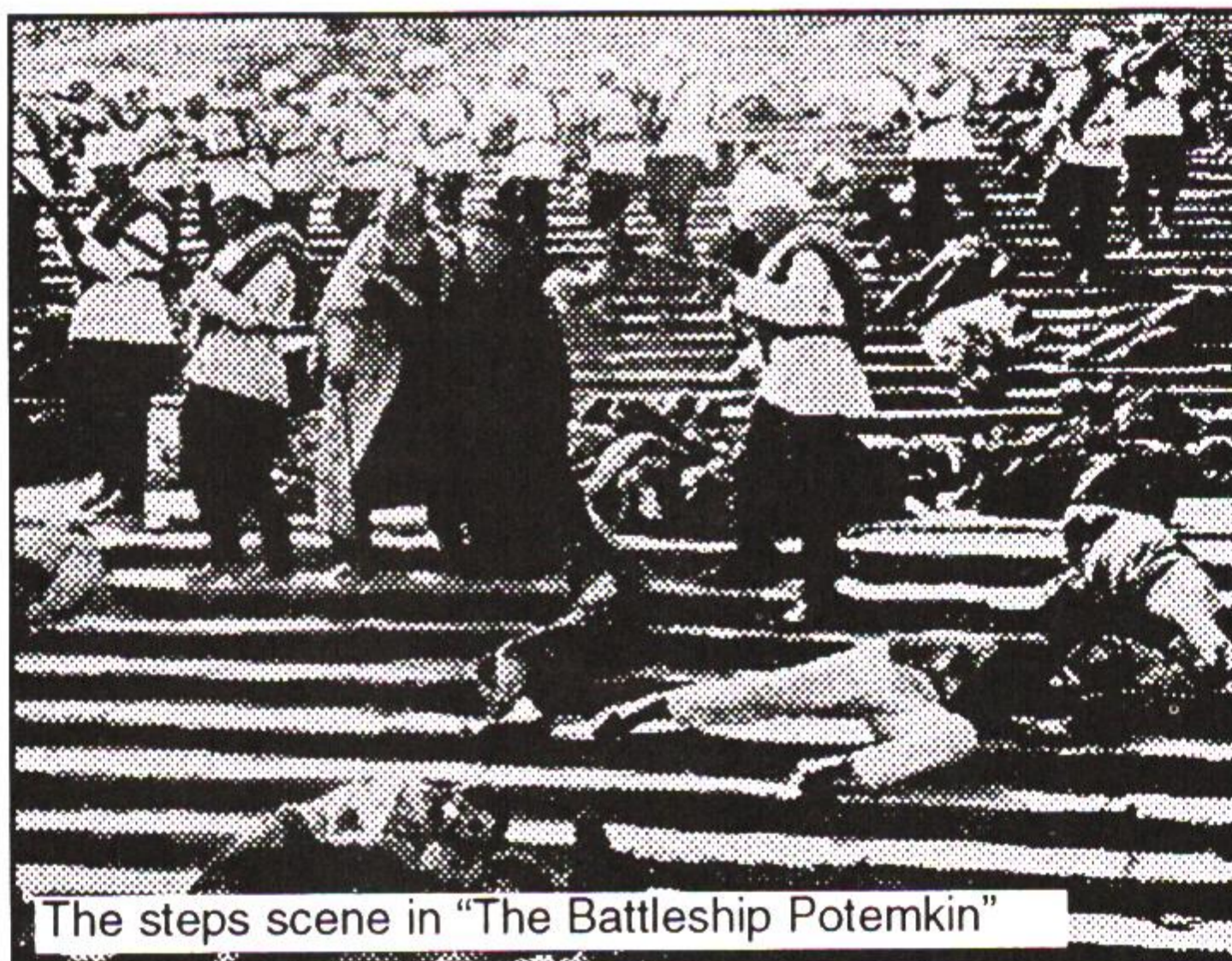
Lissitzky epitomised the new generation of artists in the Soviet Union. He trained as an architect in Germany before specialising in the design of books, exhibitions and photomontage. In the years immediately after the revolution agitational art (agit-prop) played a key role, poster campaigns carried the message against the counter revolution and in favour of the social, educational and health policies of the new state, monuments to revolutionary heroes were quickly made and exhibited in squares and public places and young groups of actors wrote

and performed political sketches at public gatherings and for the Red Army troops on the front. The new Soviet state fought the Whites on every level, orchestrating a brilliant propaganda campaign. Enlisting the support of many writers and artists the message was taken to all corners of the Republic by specially decorated "agit" trains and boats.

## Agit-trains

These trains and boats employed leaflets, film and theatre to get over their ideas. Mass public spectacles, like the 1920 re-enactment of the storming of the Winter Palace with a cast of 8,000 actors, were staged. In film too, agitation was paramount. "Red Imps," made in Georgia in 1923, was a popular and spectacular adventure story about young people acting as scouts for the Red Cavalry during the Civil War.

There was no artistic consensus and debate raged between the sometimes conflicting schools of thought. Alexander Bogdanov was the leading theorist of Proletkult (*Proletarian Culture*). He argued that art before the revolution was imbued totally with values of Tsarism and therefore diametrically opposed to the socialist order. As a step towards the creation of a truly proletarian culture, he felt that the art of the past had to be restricted and even suppressed. Lenin and Lunacharsky saw the dangers of this argument taken to its logical conclusion, they believed that many of the diverse traditions of pre-revolutionary culture needed to be preserved. Although many of its influences would last much longer the Proletkult was incorporated into Lunacharsky's Commissariat for Public Enlightenment and its worst excesses curbed in 1920. Proletkult organised on urban, district and factory levels, with sections devoted to writing, painting, theatre and music. The main themes were organisation for the new socialist order, technology and labour, and the relationship between the individual and the collective. One of its highpoints was the *Symphony of Labour* performed in Baku in November 1922 by thousands of soldiers and workers using factory sirens, cannons and aircraft engines as musical instruments. Many involved in Proletkult and the avant garde in general were fascinated by robotics and the



The steps scene in "The Battleship Potemkin"

time and motion studies of American Frederick Taylor. This influence was seen in the new developments in theatre. Biomechanics, as they were known, were given a public premiere in Meyerhold's production of *"The Magnanimous Cuckold"* at Moscow's new Actor's Theatre in 1922. Meyerhold's philosophy was, "to lay the basis for a new form of theatrical presentation... transforming a spectacle performed by specialists into an improvised performance which could be put on by workers in their spare time."

The American influence was not confined to the ideas of Taylorism. The production lines of Henry Ford, the skyscrapers of New York and the early cinema of Chaplin and Fairbanks - all had an effect on the developing cultural theories. From theatre many of the actors, producers and directors moved on to film.

The Soviet film industry boomed throughout the twenties.

Sovinko, the state film industry, organised studios in Moscow, Georgia and Ukraine. Sergei Eisenstein, one of the greatest film directors of all time, trained at Meyerhold's Directors' Workshop, designed and directed a number of plays at the Moscow Proletkult Central Workers' Theatre where he employed 'broken narrative,' circus tricks and burlesque, amongst an array of 'advanced' artistic styles.

### Eisenstein

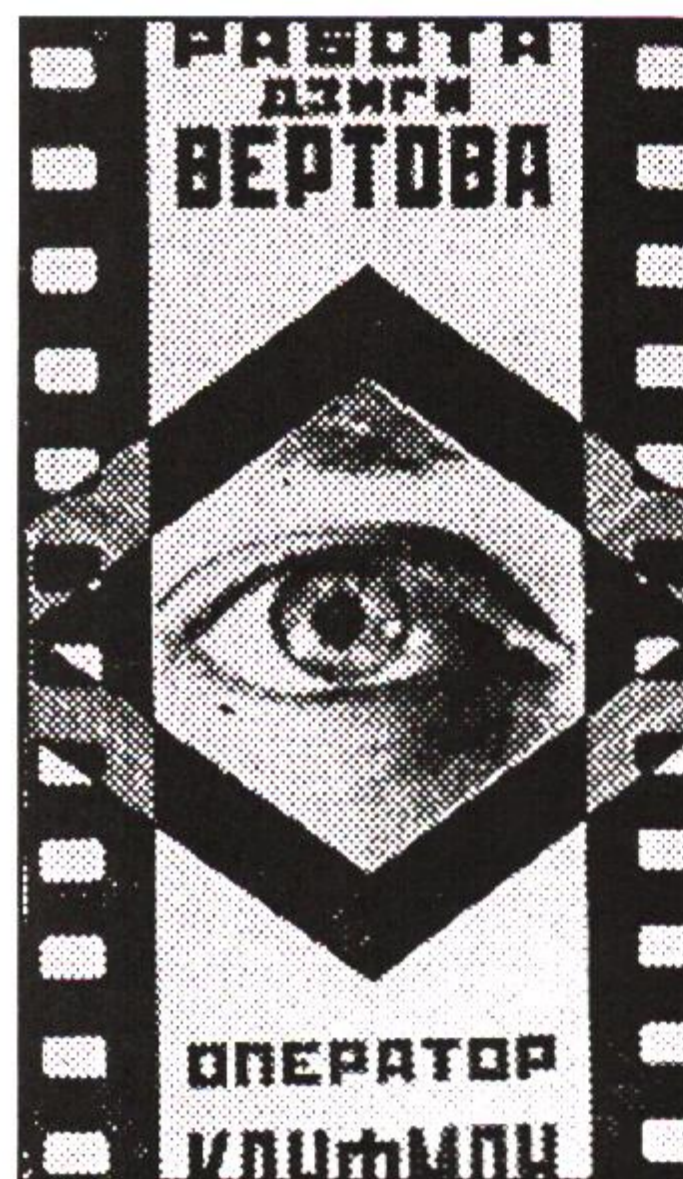
It was as part of the 1923 production of the play *"Enough Stupidity in Every Wise Man,"* that Eisenstein first took up film. He shot 120 metres of film that was to be integrated into the theatre production. Because of the shortage of film, Eisenstein edited "on camera." This led him to draw certain conclusion published in his 1923 manifesto, *"The Montage of Attractions,"* where he stressed the role of editing as a means of establishing a "visual dialectic." He believed that film, "must be a tendentious selection and juxtaposition, free from narrowly fictional tasks, moulding the audience in accordance with its goal." Film was to be a means of raising political consciousness. In April 1924 Eisenstein started work on *'Strike'* his first full length film, a year later he produced the seminal *'The Battleship Potemkin.'*

The output of the Soviet film

industry in the 1920s was vast and varied from the documentary work of Dziga Vertov in his films like *"Kino Glaz"* and *"The Man with the Movie Camera,"* to comedies like the Actor's Collective production of *"The Strange Adventures of Mr West in the Land of the Bolsheviks."* Alexander Rodchenko and other artists and designers around Inkhuk (the Institute of Artistic culture) began to put away their paint brushes and argue for a new Production Art. The constructivists, as they became known, advocated applied art and industrial design as a true reflection of the communist ideal. Artists were encouraged to work as designers in factories. Alexei Gan, in his book *"Constructivism,"* announced, "Art arose naturally, developed naturally and disappeared naturally. Marxists must work in order to elucidate its death scientifically and to formulate new phenomena of artistic labour within the new historic environment of our time."

Production Art flourished during the mid 20s - textile and clothes design for mass production, ceramics from the State Porcelain Factory. The main aim was to break the barriers between art and life, to work on the design and decoration of functional objects which could be mass produced by state industries. Artists and architects worked on new forms of buildings, new designs for whole cities, communal living in new apartment blocks and workers clubs to serve the recreational, educational and health needs of large communities and factories. Throughout the period up until 1928 there was a tremendous flowering of Soviet culture. There was a search for new forms to express the new realities of Soviet life. Energy and innovation were characteristic. Rodchenko, Lissitzky and their mentor Tatlin, were based at the Moscow Higher State Art-Technical Studios (the Vkhutemas). The constructivists worked directly in industry, film, photomontage, typography, architecture, design, and photography. Through the IZO (the Fine Art Section of Narkompros) they were involved in establishing the new museums of contemporary art, the regeneration of craft industries and in the organisation of broad based State exhibitions. More conservative schools also existed, The New Society of Painters and the Association of Artists of Revolutionary Russia

(AKhRR). The AKhRR in fact emerged as the biggest school by the mid-20s. They were mainly 'realists' and figurative painters, their aim was to "depict the present day, the life of the Red Army, the workers, the peasants, the revolutionaries and the heroes of labour." After



the 'reorganisation' of literary-artistic organisations in 1932 they became the mainstay of the Union of Artists and advocated the policy of "socialist realism," spearheading the witch-hunt against the avant garde.

### Diversity

Lenin and Trotsky had always supported a policy of cultural pluralism, allowing all schools of thought to develop with artistic freedom. Alongside this was the importation of Hollywood and other foreign films 'en masse' up until 1928, and the continued translation of numerous foreign writers. For example between 1923 and 1928 over one hundred Western science fiction books were translated and published. Throughout the period then there was an immense diversity, a constant flux of ideas and a continuing reorientation of various groups and societies. In 1928, as Stalin strengthened his grip on the party and the first five year plan was launched, the period of cultural diversity advocated and encouraged by Lenin and Trotsky came to an end. The avant garde came under increasing attack from the conservative forces around groups like AKhRR. The first All Union Party Conference on Film came out against 'formalism' in the cinema. Cinema had to be 'popular' and 'made in a way that can be appreciated by millions.'

Eisenstein was forced back to the editing room for his 1929 film *'The General Line'*, it was later released as *'The Old and the New'* with an epilogue devised by Stalin himself.

The next period was one of confusion as an hysterical witch-hunt was launched on the avant garde - satire was denounced as 'anti-soviet,' the constructivists were denounced as 'leftist individualists' and all artistic experiment as 'formalism.' All art had to now depict in a realistic and heroic way the socialist struggle of the workers.

In 1929 Lunacharsky resigned and Stalin himself took personal charge of cultural and artistic matters. In 1930 Mayakovsky was denounced as 'anti-proletarian' and later committed suicide. The Vkhutemas, home of the constructivists, was closed down.

### Capitulate

Artist after artist was forced either to capitulate to the 'line' or be denounced as a petit bourgeois. Rodchenko, one of the great visionaries of the twenties would devote the rest of the thirties to photojournalism, depicting construction sites and engineering projects across the Soviet Union in photograph. In 1932 the period of confusion was brought to an end by a decree of the Party Central Committee reforming all literary-artistic organisations - all existing groups were dissolved and replaced with one union for each discipline. From 1928 to 1932 party membership trebled and Stalin used this base of new recruits to smash not just political opposition but also attack the leftist deviation of artistic experiment. Socialist realist art, in the view of Stalin, was an organ of the class struggle and therefore there was no room for dissent. Anyone opposing the line was denounced, hounded from the artistic unions, arrested and even shot. The only way for an artist to survive was through a combination of luck, humiliating public recantation of their views and uncritical adherence to the party line - and even this did not always guarantee survival. Art now had to serve the party line, the plan, the motherland and the great leader himself. The period of the great experiment in Soviet art was brought to a bitter end.

# The Foundations of Christianity

by Karl Kautsky

reviewed by Steve Jones

During the time of Christmas (originally a pagan festival by the way) some time is usually put aside by the media to consider the religion which this holiday is supposed to celebrate. Karl Kautsky's classic work, first published in 1908 and reprinted 13 times in Germany alone although nowadays difficult to obtain, sought to analyse the origins and nature of the religion which came to dominate Europe from a class view using the methods of science rather than theology. It is impossible in a review of this size to adequately cover all the areas dealt with by the book let alone the wider questions on religion which it leads on to. Kautsky concentrates on three main subjects into which the book is divided: 'Society in the Roman empire', 'The Jews' and 'The beginnings of Christianity'. He stresses the importance of clearly examining the materialist nature of Jewish and Roman society to understand the effect which they had on the origins of Christianity. It was the economic and social processes developing in both societies that were crucial as the motor force in the expansion of this religion. As Franz Mehring said in his short article 'On Historical Materialism': "Christianity... had a purely economic origin; it was a social, a world, a mass religion, which arose on the basis of the Roman empire, and out of different ideologies of its different peoples under... (the) process of the economic collapse." The conversion of Christianity from a rebellious underground sect with semi-communistic ideas into a state religion under the Romans represents the final part of this book. It is the first section of the work which many readers may find shocking even in today's world. Here he examines the historical record, or rather the lack of historical record, surrounding the life

of Jesus and challenges the validity of the Bible. There is virtually no mention of the early Christians in any of the pagan (non-Christian) texts: "not one of the contemporaries of Jesus had reported anything about him, in spite of the fact that he was alleged to have performed such marvellous deeds." The first mention of Jesus in such a text does not occur until 'Jewish Antiquities' by Josephus Flavius. However, even as early as the Sixteenth Century, it had become clear to scholars that the mentions of Jesus and his supporters were forgeries added in during the Third Century by a copyist angry at the authors failure to mention him at all. Of the other writers of antiquity, only Tacitus briefly mentions the early Christians (and then only in passing)—others say virtually nothing.

## Suspicion

The main Christian writings are also open to suspicion. Forgery was clearly marked as acceptable by the writers of the early church: "These writers were concerned not with the truth, but with making their point..." . Virtually all of the early Christian writings, including the Gospels, were not written by the stated authors but much later and subject to additions and revisions thereafter. The Gospel of Mark is considered now to be the oldest and that was not written until at least half a century after Jesus' death. The earliest versions of the Gospels may not have even mentioned the resurrection, just ending with the death and burial of Jesus. Kautsky draws attention to the many differences within the accounts of the four Gospels. For example, as each Gospel was written the miracles become more pronounced (eg the raising of the dead) and important. Provable facts were also ignored—the Gospels talk

about a Roman census yet none took place under Augustus and when one did occur in 7 A.D. the census took place where people actually lived; there was no need for Mary and Joseph to go to Bethlehem. Other facts and procedures described do not tally with known facts about Jewish and Roman customs.

## Gospels

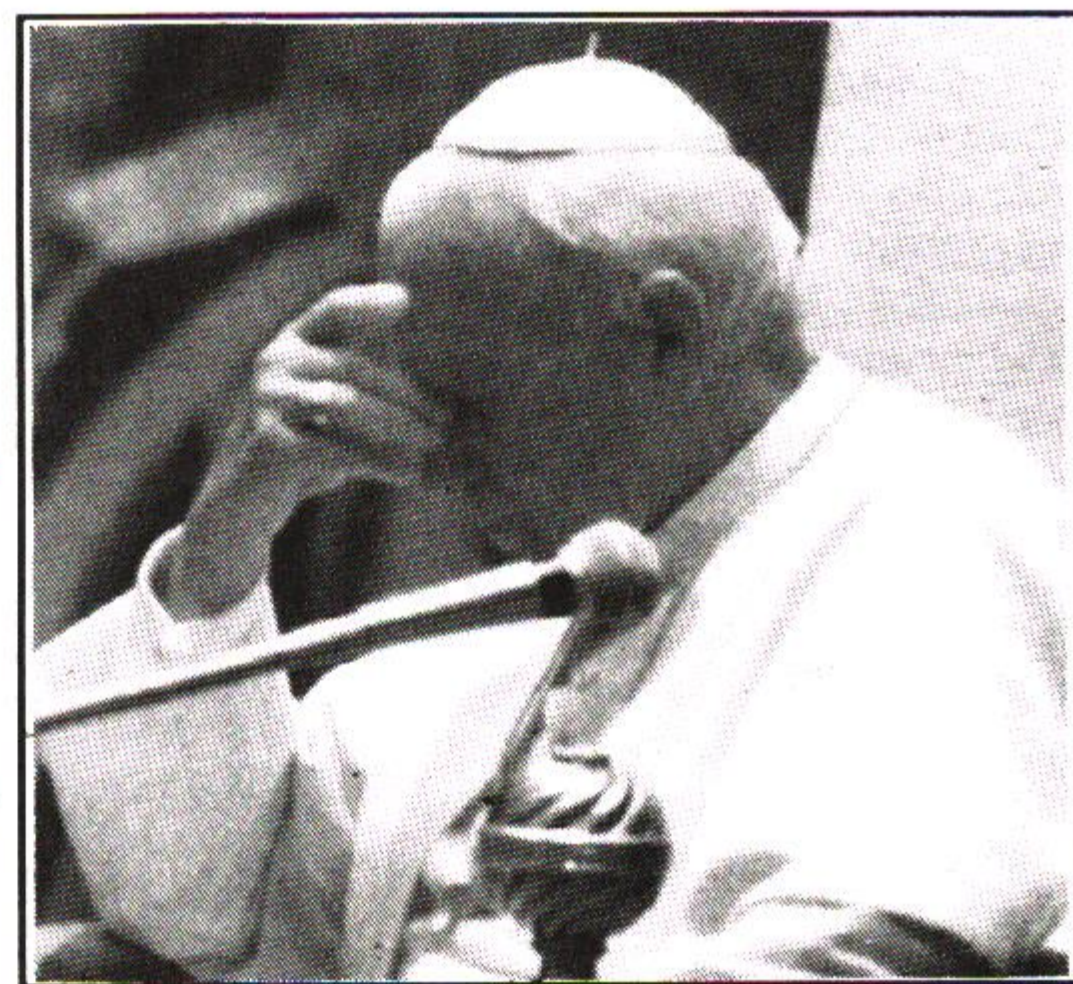
More interestingly still is how the later Gospels are written to placate Roman supporters. The sermon on the mount starts off, in Luke, as an attack on the rich and says that the poor will inherit the world. By the time of Matthew, the poor get to inherit the world 'in spirit' and the rich escape criticism all together. The later writings of the New Testament are also subject to forgery. The Second Epistle to the Thessalonians even includes a note from the forger: "The salutation of Paul with mine own hand, which is the token in every epistle: so I write". It is clear that once the Christian church was firmly established it was crucial to "outline a fixed canon, a catalogue of all those primitive Christian writings which it recognised as genuine". All texts which did not fit the bill were declared as heretical. The Romanisation of the church resulted in a situation where the struggle of socially opposed classes was fought as a struggle over the words of Jesus. In the end, as Kautsky puts it: "while we may learn from the Gospels, and the Epistles, nothing definite about the life and doc-

trine of Christ, we may obtain very important information concerning the social character, the ideals and aspirations of the primitive Christian congregation". Texts such as the Acts contain much data on the fight between those of the old Jewish tradition and those of the new Roman (represented by the person of Paul for example who was in open conflict with people such as James).

The recent debate over the famous Dead Sea Scrolls has confirmed Kautsky's picture of the early Christian communities.

## Importance

These documents, of great importance because of the age being contemporary rather than copies written centuries after, were discovered from 1947 onwards yet the establishment of the church (who have responsibility for the examination of the documents) have sought to hold these Qumram artifacts back from public examination. However, following years of conflict between competing scholars translations have now become generally available. What they show is a view of the origins of Christianity that differs greatly from that of the official view. They confirm the view of communities such as the Essenes as being revolutionary, anti-Roman and the early church as being divided and faction ridden rather than the peaceful, respectful and inward looking types which the establishment would wish us to believe. In a future article we will examine these documents (along with other material such as the Book of Q) and their relevance in more detail. Readers should make the effort to obtain a copy of Kautsky's book, which covers far more than can be dealt with here, as a valuable introduction to a question which is still of importance even as we approach the 21st Century.



# The Great British

## Tradition

By Beatrice Windsor



## The Levellers take London

The New Model Army was not just revolutionary in thought, but also in deed. Its whole method and organisation rejected not only the *ancien regime* it had just overthrown, but also the new order the merchant capitalists were now trying to impose upon them.

In England in 1646 there was no working class. The most advanced layers were the 'petit-bourgeois' masses of artisans, yeomanry and craftsmen mainly based around the developing cities. It was they who made up the backbone of the NMA. But although organically individualistic in outlook, these petit bourgeois were 'proletarianised', as they were collectively organised into the NMA.

Therefore not surprisingly they adopted proletarian methods. Mass meetings of the Army were called in Essex in 1646 following growing discontent over backpay, attempts to dispatch them to Ireland and the general betrayal of the ideals of the revolution.

Each regiment elected two delegates - called Agitators - who served on a Council of the Army. This horrified the embryonic ruling merchant class - 'their' Army had become an independent political force. As historian Charles Poulson puts it: "Nothing like this was to happen again until the soldiers of the Tsar were to elect their Soviets in 1917."

While Parliament trembled, Cromwell the wily politician sided with the Army, recognising the Council and tolerating the radical ideas of the Levellers.

The Army moved to Newmarket and called a mass meeting of the entire force of 21,000 foot and horse, to hear the response of Parliament to their demands. Like so many of the medieval Kings before them, Parliament dispatched Commissioners to meet the rebels, agreeing to their demands including paying their arrears 'if only they would disband'. This was overwhelmingly rejected as each regiment voted in turn on the offer; they complained that they were not mere mercenaries but "Englishmen with swords, which they would not put down until they had accomplished their duty....to see a just and equitable settlement of the Kingdom."

To ensure such a settlement, they would march on London to negotiate with Parliament direct, and also purge it of its 'rotten members'. Oh, for the New Model Army to return today!

As the Leveller led Army marched on London, panic gripped the fledgling bourgeois. A new wave of repression was unleashed in the city - the new printing presses were censored, 'unlicensed' preaching was stamped upon and the Sects were persecuted; a hundred 'left' MPs fled the city after widespread harassment, fleeing to the protection of the Leveller army.

But the hand of reaction failed. Far from bludgeoning Londoners into resisting the Levellers, the city rose as one to greet them. The gates of the city were opened without a struggle, and thousands cheered the revolutionary soldiers as they marched in - the city was a sea of Green ribbons and laurel sprigs, the colour of the English Revolution.

The reactionaries fled Parliament, while Cromwell held back - the Levellers may have taken control, but how would they now use this power?

Next issue: *Mutiny at Ware*

## Bourgeois of the month.....

THE seventh richest person living in the UK is the Duke of Westminster. He wasn't so much born with a silver spoon in his mouth - more like a whole Estate Agents. Much of his personal fortune of £1,500 million rests on the vast tracts of super expensive real estate he inherited.

When you look at the property he owns you begin to wonder if the game of Monopoly was based on him. He owns 300 acres of Mayfair, including large chunks of Belgravia, which includes the most expensive properties in the country. One such property, the five acre Hopton Estate is currently on the market for £60 million.

The Duke doesn't confine himself to London however, and owns most of Cheshire (well, 13,000 acres of it anyway), a Grouse moor in Lancashire, and substantial holdings in Northern Ireland, Scotland, Canada and the USA.

Times are hard though. The current recession has seen land and house prices dip. As a result, the Duke's main company - Grovesnor Estate Holdings - saw the total value of its net assets fall by over £100 million to a meagre £504.7 million.

Still chin up Duke. If the worst came to the worst and it all collapsed around your ears, you can still cash in your private art collection - reputedly worth £150 million.

Next issue: The Duke of Devonshire



"He hates Jews, Catholics, Protestants, Negroes and himself."

# SOCIALIST APPEAL

*The Marxist voice of the labour movement*

Inside: Ireland,  
Labour,  
Engels,  
Clause IV,  
Art, Tories

## National Robbery!

### Lottery Bonanza for rich

The National Lottery has got under way with considerable media hysteria and hype about the millions to be won. Pages and pages have been devoted to schemes, presented by astrologers and other con artists, showing how a certain combination of numbers can win—although in fact any combination of numbers has an equal chance of winning. Much has been made about how 'everybody' will benefit. By this they mean primarily through the payments to be made to charities, since the odds of winning any real prize money is absolutely minute.

However the facts indicate that the real winners will be the government and the organisers of the lottery. 5% of the income goes to the firm running the lottery and 12% to the state. Only 6% is scheduled to go to charity with criticism now coming out that no payments are likely until late 1995. Since it has been estimated by the Institute of Charity Fundraising Managers that between £190 million and £270 million could be lost from charities income in reduced donation levels caused by people buying lottery tickets instead, thinking that they are for 'a good cause', then it is clear that charities could even lose out. Since the services provided by charities should be provided by the government then you can see why the Tories are laughing. The 6% also covers grants to arts, sports etc.—precisely those areas where the government has cut back on funding. An article in, of all places, the Economist also raises the point that many of

these grants will be for grand projects of interest to the rich rather than the poor who will be buying the lottery tickets in the first place.

Readers may however like to consider some of the other lotteries the Tories have given us such as the health service where



"It could be you"

you gamble that the hospital you go to can afford to treat you. Or there's the job lottery where each month you gamble that you won't be made redundant. There is also one for the unemployed as to whether they get a job or not—very long odds on that one! Life under the Tories has deteriorated for all but

the rich (of course!). A recent report states that pressure has even got to formerly privileged sectors such as office workers. More than half those office workers questioned felt that stress at work had increased with 16% being forced to take time off work as a result. The 'feelgood factor' (a favourite phrase of the government) is lower in Britain than anywhere else in Europe. Stress now accounts for 90 million working days lost each year by workers going sick according to the British Safety Council. The report states that the hope that the work pressures of 1992 would decrease back to normal has not happened. In fact we can see that the intensification of labour in both the blue and white collar sectors has continued apace as the bosses seek to maximise their profits.

By presenting the national Lottery as the solution to all your problems (although the odds are far worse than you can get with racing or the pools which already exist) the Tories are seeking to divert peoples minds from the realities of life, rather like the old Roman emperors with their games. Perhaps the time has come to remind the Tories of the fates of some of those emperors! The only real way to improve your lot is not through panaceas such as gambling but to work to get the Tories out and fight for a Labour government committed to a socialist programme. The best result workers could have would be the removal of capitalism—then we would all be a winner.

Steve Jones  
Romford CLP

## Fight for Socialist Policies