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# MILITANT INTERNATIONAL REVIEW

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The printers wish to apologise to the Editors of  
Militant International Review and to all readers  
of the publication for the considerable delay  
which has attended its production. This has been  
due to factors outwith our control.

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# Britain

Still on the Sick List!

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For the first time for many years, Britain's balance of payments was in surplus up to possibly £350 million in 1969. This despite the heavy overseas investment which must be either near-record or of record proportions of approximately £1,000 million. Thus the ailing "sick man of Europe" seems to have perked up in his economic health. In reality, it is the sickness of British capitalism's rivals which has contributed in large measure to this result. Devaluation and thus an indirect attack on the standard of living is now having quite important effects. Thus British goods on the world market can be sold cheaper than those of its competitors.

At the same time, the revaluation of the mark, while strengthening the position of Germany capitalism, gives a corresponding edge to its rivals. The German capitalists see the need to extend this aid with the increasing division of labour on a world scale, especially between the industrialised countries, the fate of all is linked together far more than in the past. At the same time, the record expansion of world trade, about 18% last year, which is one of the consequences of the former gives a certain leeway to make such concessions. At the same time, inflation in the United States makes this gigantic market more accessible to British goods. The difficulties of French and Italian capitalism, the upsurge of the working class have forced up wages in the last couple of years, in addition the higher rate of increase in prices, have also assisted the position of British capitalism on world markets.

The rise in wages, which was much higher during the last few years, among all the main competitors of British capitalism than in Britain, have all contributed to the recovery of British capitalism on world markets. However, in spite of this Britain's share has not increased to the same extent as world trade. Thus, in reality, there is no organic change in the decline of the past period.

The collapse of the attempt by the Government to impose anti-trade union legislation, due to the resistance of the Labour and Trade Union Movement, which even affected the tops of the TUC, reflecting the wave of rank-and-file determined opposition, has in its turn re-inforced the pent-up militancy of the organised working class. The wage offensive of the workers has extended from the industrial workers to embrace wide sections of the white collar workers never associated with militant action in the



past. The miners, engineers, postal workers, dockers, teachers, dustmen, civil servants and others have all put in for substantial increases, well beyond the so-called "incomes norm" of  $3\frac{1}{2}\%$ .

Thus the prices and incomes policy has completely collapsed as the working class realised that it remained a brake on wage increases and was completely ineffective in regard to prices. The trade union leaders, forced into semi-opposition to the policies of the Government, have floated with the tide putting in for increases of from 12% to 50% in the case of the seamen !

The precarious nature of the recovery in exports on the world market from a long-term point of view is indicated in the low rate of investment in productive industry in comparison with Britain's rivals. America has a projected rate of industrial investment of about 15% this year. Germany and Japan have similar figures. The figures of Italy and France are higher than those of Britain. According to a recent survey by the CBI of investment intentions for new plant and equipment in Britain this year in private industry, it amounted to only 3% ! The solution of the CBI is for more concessions to Big Business already heavily dependent on subsidies and grants to the tune of £600 to £1,000 million per annum. Thus the monopolies and combines while becoming more intertwined become also more parasitic on the State.

The approach to join the European Economic Community is principally motivated by the collapse of British capitalism's world power economically, diplomatically and financially. It is an indication of the realisation that the world powers of the coming decades, given a continuance of the present relationship of class forces, will be Stalinist Russia, American imperialism, the growth of Stalinist China into a world power, Japan, with Britain trailing far in the rear.

Whether British capitalism will be successful in the foray into Europe will depend on the cost. For the moment, there has been an access of confidence in financial and industrial circles due to the immediate recovery of Britain's economic position. This year will probably see the realisation of the surplus on the balance of payments which has been put forward as a target. But the amount invested abroad by British capitalism is reaching staggering proportions. Thus the parasitic ruling class prefers to invest overseas where they can obtain a higher rate of profit, than to renovate and refurbish British industry. This imposes an enormous burden on the balance of payments. However, much of the hysteria in the capitalist press on the balance of payments gap is intended for propaganda purposes for the purpose of extracting "sacrifices" from the working class in the interests of the "nation", i.e. monopoly capital. The self-same firms which are obtaining enormous subsidies, also invest in plant and industry in other countries.



The militancy of the workers on the industrial front is the first beginning of a renewed radicalisation of the working class. This is not yet reflected on the political front. The control of the left-wing in the Transport and General Workers and the AEF are the beginnings of deep-seated processes within the working class. The awakening to industrial action of teachers, postal workers and civil servants is the beginning of the process of "Frenchification" of the former "respectable" and "professional" white collar layers of the workers. This is a vital process which will have important political consequences in the future.

For the moment, the disillusionment with the measures and results of the Labour Government are not deep-seated within the organised Labour and Trade Union movement. The result of the next election is still in the balance. The overwhelming mass of the working class cannot see any alternative and thus, naturally, remain loyal to the Labour Government even if opposed to its measures. The Communist Party and the various ultra-left sects remain as an important fringe on the outer edges of the Labour Movement. Their screams and hysterical denunciations of the Government gain no important support from the Labour Movement. Though critical, the active elements in the Movement are gathering together for a defence of the Movement from a renewed and revitalised Tory offensive.

It is within the organised movement that the forces for a revival of the socialist aims of the movement will be developed. The beginning of the revival of the Young Socialists is indicative of this process. The restlessness of former staid layers of the middle class is indicated by the revolt of the farmers, who have taken a leaf out of the book of the French peasants. The vicious and poisonous racialist out-pourings of Powell against the coloured population and now against the Irish "aliens", always given extensive coverage in the mass media, is an intended insurance in the long-term by the ruling class. A coldly calculating and cunning politician, he has his eyes on the future social crisis in Britain. The ease with which £1 million was promised by small, middle and Big Business interests for Powell to make a bid for the leadership of the Tory Party is a portent for the future. Powell rejected this as unpropitious for the moment. But it is an indication of the money which will be raised by Big Business in a future social crisis and as a reply to a radicalisation of the working class. The left in the Labour Movement will ignore these omens at their peril.

The increase in production, partly due to the increased intensification and increased productivity of labour, which took place in 1969, will probably be repeated in 1970. An increase of 3% to 4% is likely. This is a miserable figure in comparison with most of Britain's main opponents in the struggle for economic and political power. Only America, despite the huge investments in industry, will have a lower



increase. This is expected to be in the region of only 1% or so, which amounts to a virtual standstill.

Despite the increase of production, unemployment in Britain remains over half a million. Some of this may be mopped up this year but unemployment will remain higher than it has in the past.

The malaise which pervades British society is indicated by the revolt of the youth and in the universities. This is now beginning to spread to industry. The so-called "permissive society" is an indication of the beginning of the breakdown of bourgeois mores. It is an expression of the twilight of British capitalism. All the factors adduced above are indication of the long-term crisis of British capitalism. The first opening bars of new tunes are being played at the present time. All the strands, reactionary and revolutionary, are being gathered together to form a new symphony of struggle.

The working class has raised its standards and the level of its ideas. The unclear demands, among the advanced layers of the industrial workers, reflected even in the documents of the NEC for "workers' control and participation" in the running of industry are reflections of a deep-seated process beginning among the advanced workers.

There is a contradiction in the low level of political participation in the Labour Party at the present time. This will change on the basis of events. Meanwhile, the pessimism of the Tribune Lefts merely shows that they lack the compass of Marxist analysis and of Marxist perspective. New struggles and new storms will bring a stormy development of the Left Wing in the Labour Movement. Processes among the youth are indications that the foundation of a marxist current within the Left are being laid. It is on the basis of the struggles of the future of a virile working class which has not known a decisive defeat for decades that the Socialist perspectives of the future in Britain must be based.



# ***Perspectives for Britain***

b y    T E D        G R A N T

EDITOR'S NOTE: This article was written in October, 1968, for the forerunner of M.I.R. We are republishing it here in its original form because we believe that it retains its relevance as an analysis in Marxist terms of the long-term crisis of British capitalism, its effects on class relations, and the developments in the Labour Movement.

One of the most striking features of the last epoch since the Second World War has been the steady attrition of the power of British capitalism on a world scale. Year by year in relation to its mighty competitors, American imperialism and the mighty Russian bureaucracy it has been out-distanced. Even in relation to its lesser rivals, France, Germany, Japan and Italy, its power has drastically declined. In every field the distance between the former might of the unchallenged world power and its present impotence and decay has been emphasised.

Only very reluctantly has British capitalism been induced to accept a lesser role. The bankruptcy of the power of British capitalism has been partly due to the terrible mis-calculation of trying to keep up in the first division (militarily) with American imperialism and Russia instead of accepting relegation to that of a secondary national power. The consequence has been a series of defeats which has now extended over many decades. However, British imperialism was the first imperialist power to understand the impossibility of maintaining direct control over the Empire. Both under Tory and Labour Governments step by step they retreated to indirect and economic means to try to maintain their former domination. Meanwhile, in spite of the sad recognition of her changed role, arms expenditure has still continued to rise even if more slowly than in the past. This expenditure remains as a dead weight on the British economy.

The Wilson Government, perhaps even more than the Tory Governments of the past, has remained in the hands of the permanent officials of the Foreign Office, of the Treasury and of other departments. The reluctant abandonment of the role of British imperialism East of Suez and in the Persian Gulf has been forced by the chronic crisis of British capitalism.



Wilson and the other Labour leaders have been compelled to swallow their fiery pre-1964 and post-election announcements. Heath and the other leaders are appealing to the jingo elements in the country and demanding the protection of the massive British investments in S.E. Asia and the Persian Gulf by continuing to maintain the bases in the area. In practice, even if they were in power they would be compelled to act in the same way as Wilson. The economic facts of life and the narrow shoulders of British imperialism are incapable of bearing the heavy burden of the military bases and of naval power in these areas. The decline can be graphically expressed not only in economic terms but in the collapse of British imperialism's naval supremacy. For three centuries Britannia ruled the waves. Now her navy is only third in the list of World Powers, that of America and that of Russia being twice as great. Britain's invulnerability as a sea power has long been ended. Before the First World War British Imperialism's navy was equal to that of the next three naval powers together; the military race with Germany began when Germany attempted to challenge this supremacy and ended with the First World War.

After the First World War at the Conference of 1920, Britain had to accept parity with America and a 5.5.3. ratio with Japan. This in reality meant the supremacy of America. Now since the Second World War Britain's navy has become second rate and can in no way challenge the mighty navies of Russia and America which have far outdistanced her. As Marxists have always explained, military and naval power is dependent on economic power. The vain endeavour to try and maintain the reverse has ended ignominiously for British capitalism.

#### Britain's Decline

In whatever direction British capitalism turns she finds herself thwarted, because of her weakness. From an imperial power she turned towards Europe once the relative success of the Common Market became apparent only to be contemptuously spurned by her former semi-satellite, France. The British diplomats have succeeded in getting the worst of all worlds. In politics there is no gratitude, and underlying all the failures has been the slow if relative decline of British capitalism in relation to her former rivals and allies.

The attempts of the Labour leaders at the dictates of the City of London to maintain the value of the pound in relation to other currencies was determined not only by economic factors but also by considerations of prestige and power internationally. In the pursuit of this will-o'-the-wisp, under the guidance of the "experts" the State threatened to bankrupt itself and the measures of the Government resulted in economic standstill over a period of years; this at the expense of the living standards of the people. It further weakened British capitalism economically in



Subsidies to industry under the Labour Government have reached fantastic levels, if to this is added the grants, taxation and depreciation allowances. The expense of industry to the State has reached record levels. All the cherished shibboleths of reformism have been

comparison with other powers and still did not prevent the second devaluation of the pound since the Second World War. On each occasion it has been the Labour Government that has had to do the dirty work of British capitalism and incur the odium from the lower middle class and those sections of the population who invested small sums in "savings".

Even in relation to the sterling bloc, which in part has endured since the '30s and was a weapon which British capitalism has used since the Second World War as a means of safeguarding her markets in India and Africa, the position is changing. In order to prevent a new run on sterling and a new devaluation where not British capitalism but outside "speculators" can call the tune, British capitalism has been forced to borrow yet another loan from international capital, and to attenuate the role of sterling as a reserve currency. This in its turn means a defeat for the policies of the City of London and a loss of the financial pre-eminence which Britain has maintained for centuries. The endeavour to hold on to all these different spheres of power has further aggravated the long-drawn crisis of British capitalism and the relative decay of British industry. The latter, which was the basis of the former pre-eminence in all fields of British imperial grandeur, was too weak to stand the strain. And on the contrary, whereas in the past there had been an interaction of these factors to the benefit of British industry, now the burdens were too great and, therefore, as in a "power failure" the British industrialists had to shed the load. Thus part of the function of the sterling bloc and of the sterling balances in the event of a new run on the pound will be shared by foreign banks and foreign currencies.

#### Fusion of the Monopolies with the State

In the past period, more than even under the Tories in the past, the Government and the State have degenerated into a pliant tool of finance and industrial capital. The fusion of State monopoly capital and finance capital with the State is a process which unfolds steadily. The monopolies are linked with the State and the State promotes monopoly for the purpose of "efficiency" and competition abroad. This has not prevented the monopolies from becoming ever more parasitic and leaning on the State for the finance needed for necessary industrialisation. In their "Mid-Term Manifesto" the Labour leaders wag the finger of admonition at finance-industrial capital - in the politest terms possible of course - but demonstrate the complete parasitism of finance capital by pointing out that the super monopolies which in fact dominate the economy do not fulfil the function of taking "risks" which was fulfilled by capital in the past. The State provides the money for modernisation, the monopolies take the profits. Where there is a loss, that is the State's business. Both the Tory and the Labour leaders express the interdependence of the monopolies with the State far more than in the past. The Industrial Reorganisation



repeated here that one of the reasons for the endemic crisis of British capitalism lies in the massive import of manufactured goods which defeat British capitalism even in the home market, in spite of having, next to America, the highest tariffs in the world. From a position of continuing imbalance between imports and exports, Jenkins calculates that exports in 1969 will increase to such an extent that it will give a favourable balance of trade of up to £600 million.

It is not impossible that this forecast will be realised. However, this will depend upon the expansion of world trade, and, of course, this is dependent on political as well as economic factors. The situation in South East Asia, where a continuation of the Vietnam War would put the dollar in jeopardy and threaten to bring on a new financial crisis, is of course one of the factors in the situation. British capitalism is far less in control of world factors than at any other time in history.

A new movement of the workers in France would precipitate a devaluation of the franc and in a chain reaction bring down the dollar and the pound with it. This in its turn could produce big movements of the working class which would have economic effects. But as things stand at the moment it would seem that the likely course of events would be in the direction of a continuation of the present upswing on a world and national scale. One of the outstanding features of the post-war period has been the continuation of the enormous export of capital. This has drained British industry by the same monopolies which dominate the economy on a national scale.

This year, contemptuously brushing aside the Government restrictions on the export of capital, it is reaching record levels. In the post-war period, having dissipated a great part of the resources invested overseas, they have now been built up to over £15,000 million, which, ever taking into account the depreciation of money, amounts to a record level, apart from America the highest in the world. This is one of the factors that at one and the same time extends the economic power of the monopolies and aggravates the crisis at home.

The parasitism of the monopolies is now complete. In exports, in subsidies, in investment, in capital exports, they are inextricably intertwined with the State and the economy as a whole. The 300 monopolies with interlocking directorships with the banks and insurance giants have a greater grip over the economy than finance capital has ever possessed in the past. Within the space of less than a decade they have dwindled from over 600 to less than 300. This interlocking giant with tentacles like an octopus spreads into every facet of national life. They now lay themselves open as a tempting target for nationalisation. The demand for the taking over of the commanding heights thus assumes concrete shape.

10.

in the country. At the moment 50% of all investment in industry comes from the Government sector which now constitutes only about 16% of the economy. The more than 90% of productive manufacturing industry, including steel, in the hands of private capital, together with the dependent service industries, only succeed in investing the other half of the total. Such is the parasitism and loss of function of the so-called entrepreneurs.

8.



Wilson and the Government have more and more become the mouthpiece of "efficient", of large-scale organisation of industry, and thus inevitably of Big Business. Wilson's method has been that of changing the name of things in order to cover up the fact that there has been no change in policy.

### The Capitalists and the Labour Government

In reality, the policies of the Labour Government, like those of the Tory Government before it, have been dictated by "the needs of the economy". But the economy is a monopoly-ridden capitalist one, and therefore any policy is in reality dictated by the needs of Big Business. Either there has to be a complete break with the policy of supporting Big Business and taking to the road of Marxist socialist policies or the road that has been taken by the Labour leaders, that of capitulation to finance capital. There can be no middle road.

The "mistakes" of the Wilson Government have been the mistakes of the "experts", of the capitalist economists and of the professional advisers in the Civil Service, i.e. of the State machine. The bankruptcy of the policies of reformism, of an "independent road" (i.e. independent of the class struggle), with the "government" laying down the law to the classes, who must collaborate for the benefit of all, have demonstrated their futility.

Wilson tried to play the role of a "national" leader and in doing so had to separate himself from the working class and put himself on the standpoint of the bourgeoisie. Class attitudes in a class society are inevitable, and thus Wilson, with the policies mentioned above, in the early period secured the adulation of the capitalist press and the admiration of Big Business. The continued ailing of the British economy and the crisis of British capitalist power, forcibly revealed by the move towards devaluation, devalued Wilson in the eyes of the bourgeoisie.

From adulation, the Press passed to hysteria in their denunciation of Wilson's mistakes. In spite of the attacks on working class standards and the lavish concessions to the capitalist class, they tried to make Wilson a scapegoat for the disease of the system itself. At that stage they were even toying with the idea of a National Government, and even the forced resignation of Wilson, to bring forward as Prime Minister an even more right-wing figure such as Callaghan or Jenkins. For a whole period up to the Labour Party Conference of 1968, a systematic campaign has been conducted to unseat Wilson. While the suggestion of a National Government has been kept in reserve, at the same time the attempt was made to switch Prime Ministers. This failed because it would have meant a split in the Parliamentary Labour Party and the premature formation of a



"national" government and the driving of the Labour Movement to the left.

Events at the TUC and the Labour Party Conferences have forced the spokesmen of Big Business to make a re-assessment of the situation. The TUC and Labour Party Conferences, have been forced into opposition or semi-opposition to the policies of the Labour Government. The defeat of the Government's Prices and Incomes Policy, both at the TUC and, by an overwhelming majority of the Unions and the Constituency Parties at the LP Conference, are symptomatic of the situation that is developing. 1969 will see the biggest upsurge of industrial struggles, official and unofficial, involving a wide cross-section of the organised working class, since the war. Engineering, docks, transport workers, clerks, draughtsmen, building workers have all been involved in industrial struggle.

The question of equal pay for women has also for the first time in decades assumed a burning actuality. The strike of the women workers at Ford's has triggered off a whole series of strikes.

#### A Swing to the Left

There has been the beginning of a swing to the left in the union branches and Constituency Labour Parties. This mood was reflected at the TUC and Labour Party Conferences, which showed a questioning and critical mood developing among the organised and active advanced sections of the Labour Movement. At the present time, this is only a mood and not an active and swelling movement. Hence the fact that it has not received any real organised expression.

However, it is again necessary to stress that this is the beginning of the beginning of the beginning. The spokesmen and representatives of the ruling class recognise this process clearly and it could be seen once again in the changed attitude to Wilson in particular, and the right wing leaders in general. Thus a new revamping of the role of Wilson has taken place in the press. They have accepted that while the Labour Government last, Wilson will necessarily remain as its leader. They do not wish to open the flood-gates to the militancy and embitterment of the working class by provoking conspiracies against Wilson. With the developing mood of political and industrial militancy, the labour leaders need especially a former "man of the left". Wilson would be better for the job than a National Government or the Tories.

The strategists of Big Business have to calculate whether it may not even be better if the economic situation continues to improve in 1969/70 to have a new Labour Government rather than a Conservative one. A Wilson-Jenkins "miracle" in the economic field, with secondary concessions to the working class, would, under these conditions, be better than a



Tory Government faced with a radicalised and united and embattled working class. Thus they are preparing to refurbish the image of Wilson as a national leader. If the economy should continue to ascend, they would prefer a Labour Government to hold down the developing industrial militancy of the organised workers.

The Labour Government, without real economic slump as in 1929-31, is as yet not "exposed" to the organised masses in the Labour Movement - not even completely to the active sections. It depends on the events of the next 18 months to 2 years for the bourgeoisie, or rather its strategists, to decide on their tactics. What is clear is that they prefer to be "kind" to the leaders of the Labour Government, through the mass media, thus showing that for the period of the life of the Labour Government, they have accepted Wilson as the best Labour leader they have got.

It has always been necessary to understand the limitations of Conferences, whose decisions are distorted by a measure of selected and slanted publicity given to its decisions. The broad masses and the active workers in the Constituencies, the housewives and working people, have not got the time to follow in detail the processes and decisions of Conference. Even the delegates at the Conference are not completely clear as to the processes taking place.

Nevertheless, with all these limitations, the 3 million votes cast for the resolution from Liverpool of the Marxist left at the 1968 Conference, represents a modest success for the methods of Marxism, which has always tried uncompromisingly to put forward the issues in a clear fashion in the Trade Union branches, the CLPs, in the factories and among the youth.

One resolution, however, does not make a tendency, and while, undoubtedly, both within the Trade Union Delegations and within the CLP delegations, there was a profound disquiet and uneasiness among the delegates, reflecting similar processes in the masses, there was not a sure and certain left current of thought. The basic impression left by the Conference was that of confusion in the minds of the delegates as to where they were going. On the one hand, they know what they do not want - the policies of the present administration; and they vaguely desire socialist policies. But what to do is not yet clear to them.

Yet in many areas discontent is already beginning to be expressed. Many rank-and-filers in the CLPs and the TU branches are looking for a way forward. Here and there even ultra-left ideas will be expressed as a gesture of despair. All these are portents of the coming developments in the movement. The so-called "lefts" are completely blind, and incapable of giving an impetus to the movement. On the contrary, their



programme is the backwardlooking one of going "forward" to the ineffective programme of Wilson of 1964. Their criticism of the leadership is that they did not carry out this programme. Apart from the purely reformist character of the programme, it was sheer utopianism to expect that in the situation of British capitalism they could implement it. Wilson and the other leaders did not abandon the programme out of wickedness, but because the programme was utopian under present day conditions.

What was instructive, and a portent for the future, was the way in which a short but clear statement of a principled programme secured the massive support of the delegates, including even the trade union delegations - which showed the pressures seeping up through the ranks. This must have been somewhat of a shock to the purveyors of timid, muddled and watered-down resolutions among the so-called "lefts".

#### Future Storms

Nevertheless, this must be taken in the context of the general level of consciousness of the working class and even of the active sections of the organised movement itself.

Great events, it is necessary to repeat, and the experience of mass movements, are still necessary to educate the masses. There will have to be many great experiences - even for the gathering together of a left-reformist or centrist current, in which the ideas of Marxism will gather mass support.

In the event of a new economic crisis - which is dependent on world developments - the attempt to impose new and harsh measures against the working class will provoke deep resentment and a tide of revolt - which will have broad echoes in the Parliamentary Labour Party, especially in the Trade Union wing. This in its turn would inevitably raise the question of a National Government. We have had a dress rehearsal of a "mild" nature in the baying of the mass media against the Government at the time of devaluation. Any serious national or international crisis will provoke a split in the Parliamentary Party, and the going over of the right wing openly to the Tories. It should be remembered that the last National Government was formed more than a quarter of a century ago, and has not the same connotations in the minds of the new generation as of the old. But it should be stressed that a National Government would only be a reserve weapon to be played reluctantly by the ruling class, when other means have failed. Temporarily, it could inflict a crushing electoral defeat on the Labour Party; but it would undoubtedly push the Labour Movement - and, in words, the top leaders of the Trade Unions and Labour Party - far to the left.



If the economic situation improves in the immediate period ahead - and despite the pessimism of the industrialists (interested, of course, only in profit) - this seems the most likely course of events, then the possibility of a further period of office of a Labour Government cannot be excluded.

The bourgeoisie is weighing up the mood of the workers, the strength of the Labour Movement, and the prospects after 1970. A Conservative Government facing the forces of the Trade Union movement, psychologically intact and moving to the left, would face great difficulties on the industrial field. Defeated on the political plane, as the workers would see it, by the renegacy of their leaders, they would turn to the industrial field. And whereas the Labour Government has succeeded in achieving greater results in holding the workers in check, and at the same time has given enormous concessions to the ruling class, it is not certain that the Conservatives could have a like success facing the forces of the workers virtually intact. Under such conditions a Conservative Government would face an entirely different situation than after 1951 and could only impose their solutions at the cost of a heightening of class tension, and of the class struggle splitting the "nation" openly into hostile camps. Of course, the bourgeoisie are also waiting on events to decide their tactics. For the moment they are extending to the Labour leaders a favourable image in the mass media.

A new Labour Government would come to power with an entirely different attitude on the part of the workers than did the Labour Government of 1966. The attitude of the advanced sections of the movement, of the TUs and CLPs, is far more critical and watchful than it has been in the past. It is even more censorious and "waiting on results" than the attitude of the workers in 1945. Then, on the basis of the new upsurge in production and of the nationalisations, the radicalisations of the working class was held in check. Now, on the new historical scale, events national and international will be piling one upon another, resulting in the radicalisation of the working class. If the beginning of the process of change in the consciousness of the advanced Labour workers has begun even under the present conditions, a new impetus will take place with a Labour Government which does not deliver the goods. The process of radicalisation, of the hardening of the opposition of the flabby "lefts" in Parliament, and within even the top leadership of the trade unions, will proceed not in the guarded and polite tea-table manners of the recent period, but of open and harsh opposition to the measures of the Government.

This will of course be dependent on the economic and world situation. But the present curve of upward development within the framework of the world upswing will not last more than a few years, and will be followed at best by a recession within this broad framework.



### The Tories' Dilemma

What is interesting at the same time is to observe the process in the Conservative Party. From having been basically the party of Big Business - but with the top leadership under the control of the patricians, it has become the part of Big Business now, even so far as the selection of the top leadership is concerned. Heath is the personification of the British bourgeoisie. His mediocrity, his repellent **image** (which the mass media is trying to refurbish), his lack of impact - all this is a reflection of the bourgeoisie itself at the present period: a mirror which, of course, the bourgeoisie regards with distaste. In actual practice, while making a great deal of noise, the Conservative Party has in reality nothing to "oppose". The Labour Government has faithfully, if clumsily and stupidly, carried out the dictates of the capitalist class - much more effectively than a Conservative Government could have done under the same conditions.

This has put the Conservatives in rather an embarrassing position.

The Conservative victories at the by-elections and the Council elections have been by default of the Labour voters, rather than by enthusiasm for the Tory Party. Basically, the programme of the Conservative Party is no different to that of the Labour leaders - with the difference that against the mass working class opposition they would find it difficult to apply. Any attempt on their part to carry through measures against the interest of the working class, in the teeth of the opposition of the Labour movement, would provoke industrial upheavals, even possibly a new General Strike.

But with the weakened condition of Britain, a new General Strike would have far more catastrophic consequences economically, politically and socially than the General Strike in France. With a new generation and with an enormously strengthened working class, its results would be entirely different from the General Strike of 1926. Moreover, the white-collar workers now have an entirely different attitude than they had pre-war. Today, the bourgeoisie cannot even rely on the sons and daughters of the middle class and the ruling class themselves. This is evidenced by the radicalisation among the students, which is as yet in its early beginnings.

That is why the strategists of capital are as yet uncertain in which direction to turn. In the event of a Tory Government, the masses in the TU and Labour Movement will swing massively to the left. To maintain its position, the leadership will be compelled to put forward demagogic slogans, which in turn would feed the movement of the masses. The organisational differentiation within the Labour Movement might thereby be delayed to some extent: but only by engendering a wave of mass struggles against the Tory Government which would threaten to overwhelm them.



A new thirteen-year period of Tory rule seems to be ruled out by the situation on a world scale and the relationship of classes at home. Thus, a Tory Government would not be long lasting but would bring to power a Labour Government under aroused mass pressure from its inception. Meanwhile, from the point of view of later developments, the Powell-Sandys wing of the Tory Party is being kept in being, as a reserve weapon. While not taking seriously most of the quaint and outmoded economic theories of Powell, at the same time the colour question is being kept in reserve, for use in the event of social crisis.

The tendency will be under these circumstances for the Labour workers to move to the Left and sections of the politically backward middle class elements who support the Nabbaros, Sandys, Powells, etc. to move to the Right. From the settled and tranquil Party of Big Business which the Tories have been for generations, they will become instead a party of upheaval and splits. The support or the alleged support which Powell received from a small section of the dissatisfied and economically threatened sections, traditionally Labour, in their attitude, such as the dockers and Smithfield porters, has been extensively exaggerated and puffed up by the Press and other means of moulding public opinion.

Undoubtedly, many of the middle class layers that voted Labour in disappointment and frustration will swing back to the Tories. At a later stage, it is on this layer, that a strong right-wing Bonapartist or even Fascist Movement will be constructed. The Tory Party will find itself split from top to bottom in the social upheavals which lie ahead.

#### The Crisis of the "Communist" Party

The Communist Party in the post-war period has suffered one staggering blow after the other. Dependent on Moscow in the past, the reverberations of events in the Stalinist States have inevitably reflected themselves in their ranks and at each stage caused a crisis. With the complete lack of theory, with the cynicism of the leadership, and degeneration of the organisation on Stalinist lines, they have been subject like all the Communist Parties in the metropolitan countries, to the pressure of capitalism, caused by the lengthy economic upswing which has taken place in the post-war period. Their influence among the masses has dropped even from the small share they had in pre-war days. Even in the Trade Unions, individual militants have secured support as militants not because of, but in spite of being members of the Communist Party. The latest events in Czechoslovakia have again provoked a crisis within their ranks.

Meanwhile, the entire basis of the Party has been changed. Only a small percentage remain from the pre-war period or even the immediate post-war period. The average member of the Communist Party today has no



greater understand of the basic Socialist theory than the average active member of the Labour Party. Consequently, it has been possible to swing the membership on to a nationalist policy. The events in Czechoslovakia have pushed the Communist Party leadership even further on this road. No longer under the direct domination of Moscow, with the leadership cynical, and sceptical of the power of the working class, they have inevitably fallen victim to the disease of reformism. More skilled at deceiving the workers in their ranks than the Labour leaders, nevertheless, their association with Moscow, at this stage, has repelled the broad masses. Despite the enormous opportunities given by the crimes of the Labour Government they have been completely incapable of making appreciable gains.

At the same time, no longer having an anchor in the fanatical adherence of the membership to what they considered was the Soviet Union, (in reality the Soviet Bureaucracy), they have been cast adrift. From being a powerful means of maintaining the control of the rank-and-file, the link with Moscow has become an embarrassment. This in its turn means that the membership can no longer be rigidly held in control by the leadership, but is subject to the blows of events at home and abroad. They are far more subject to crisis than the Stalinist Parties were in the past. No longer is the C.P. sheltered by the wall of blood created by Stalin from the ideas of Marxism, and from the wind of events. The leadership, purely empirical, is now at the mercy of events. The profound dissatisfaction within the rank-and-file at the antics of the so-called "Communists" in the West, and of the leadership at home, finds periodical outlet in the crisis which beset the Party.

It is to be noticed that the swing to the Left on the part of the delegates to the Labour Party Conference, (despite the fact that the vote for the economic resolution referred to above, far to the left of the propaganda of the so-called Communist Party, received scant mention in the pages of the Morning Star or the other journals of the Communist Party,) nevertheless, forced a change of course on the part of the C.P. leadership. In articles, in material on the front page, and in headlines, for the first time in many years the idea of "Socialism" as a solution to the problems of the British workers is being put forward prominently not as a far off, remote and impractical solution, but as immediate policy. This in turn will produce further contradictions within the ranks of the Communist Party laying them open to the genuine ideas of Marxism.

#### The Mass Left Wing

During the whole of the post-war period, the "Left" within the Labour Party has remained politically muddled and organisationally chaotic. There has been nothing like the left-wing which sprang into existence after the First World War and during the First and Second Labour Governments. It



has remained amorphous and rather a potential force than an organised one. The Bevanite movement, even at its height in the last period of the Labour Government (1945-51) and during the years of opposition to the Tories, never reached the stage of organisation or influence of the Clyde-side Left, or of the I.L.P. It remained essentially as only a deeper shade of pink reformism than that of the official leadership. At no time did it have any mass influence within the rank-and-file of the Trade Unions. Even in the Constituencies, in which it had the undoubted support of a big section, if not the majority, its conclusions and ideas remained suspended in mid-air.

Even at this stage, what is significant about the nascent Left is the support which it is receiving in the Trade Union Movement, and having its reflection even in the top delegations of the really mass unions, of the T. & GWU. and AEF, the NUR and many others; this when the process of the development of the left-wing is really in its early beginnings. Before there can be an organised left there has to be a movement of the masses themselves. All the seedbeds of revolt have been sown in the last period. But it required some disturbance for the shoots to break through over the protective shield established by the Transport House Bureaucracy. How this comes about is, of course, dependent on the development of events nationally and internationally. Big strike movements, and any attempt to hold back living standards, an attempt to force through and apply anti-TU legislation, could provoke a mass movement of revolt in the Constituencies and the TU branches.

Movements from below in their turn will provoke corresponding postures on the part of the TU leaders and MPs, and in their turn be reflected in the rank-and file. From one event or another there will be a mass growth of the Left. It may be that the LP itself will move to the Left, and will be transformed into a centrist organisation, under the hammerblows of events. In this case the extreme right would be vomited forth with the same effect as the neo-Socialist split in the Socialist Party in France in 1934-35. Here it is to be observed that the movement of the advanced elements is not the same thing as the movement of the masses, though they are linked together. At the present time, the bulk of the sincere lefts in the TUs and LP are unclear as to how to achieve the aim of Socialism. The limitations of the left were clearly expressed at the Conference, which remains as a barometer of the processes within the Movement.

The process, however, is a contradictory one. In many ways the consciousness of the organised active masses is on a higher level than ever before in history. But for this movement of opinion to be translated into organised reality requires a movement of the masses themselves.



The failure of the policies of MacDonald in 1929/31 in relation to the situation which existed nationally and internationally produced its organised reflection in the movement of the I.L.P. towards Marxism. The fact that it remained in mid-way position is not a question that needs explaining here, as it has been dealt with elsewhere.

It may require the experience of a new Labour Government under really adverse conditions to drive home the lessons to the rank-and-file. As explained previously, these considerations play a role also in the thinking and calculations of the advisers of the ruling class, from their point of view. But whichever way events unfold, there is the inevitability of the rise of a mass, organised left-wing.

The whole situation is such that there can be abrupt turns not only internationally but nationally. The mass radicalisation in France which was precipitated into the May 1968 occupation of the factories is an indication of this process. The molecular process of change and radicalisation in the thinking of the masses is at present developing in all the main capitalist countries. It is in the tradition of the British Movement to transform its organisations themselves, as evidenced by the processes in the AEF, NGA, T&GWU, NUM, and tomorrow the MGWU. But a hurricane of mass feeling and activity can suddenly change the outlook in the mass organisations. The process in its early beginnings can suddenly burst forth into active involvement of the workers themselves.

It is among the youth that the ideas of Marxism will gain the firmest and most enthusiastic adherents. The Labour Party Young Socialists are more and more accepting these ideas. But the young workers, having been brought to understand the basic ideas of Marxism, must carry these ideas into the adult parties, into the TUs, into the wards and into the factory committees. From month to month, from week to week, from day to day, they will receive an ever more sympathetic hearing, as the forum of the LP Conference demonstrates.

Those tendencies which have been empirically impressed by the episodic movements outside of the organised Labour Movement will end up as they began, on an opportunist basis. The student movement is in itself a reflection of the deep-going processes taking place within society. It is an indication of the radical upheavals that will affect not only the middle class, but the working class in the next stage.

But unless the best of the students can be convinced of the need to work in the mass organisations, their present radicalisation will merely be a phase of youthful "socialist measles". They will tend to be absorbed into the milieu of middle class life. The CND, which had many



links with the Labour Movement, but which, nevertheless, remained separate, but without clear and distinguishable aims, inevitably fizzled out. The demonstrations on Vietnam and like causes, while attracting the radical elements among the students and middle class, and even sections of the younger workers, will suffer a like fate. Nothing can replace the elementary movements of the masses in defence of their standards and even for a change of society. Of course, great events abroad would have their echo and would even provoke explosions among the masses in Britain.

But, there are no short cuts to the achievement of the socialist aims embodied in the Labour Movement. The Marxists must absorb the lessons of the past and apply these ideas to the situation as it exists and as it is unfolding.

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# ***Revolutionary Crisis in India***

by LYNN WALSH

Every year 22 million people are born in India and 9 million die. For the vast majority of India's 537 millions life is still an elemental struggle for existence and survival. The exceptional growth of capitalism in the West and Japan in the last twenty-five years cannot conceal the inability of the system to develop the rest of the world in the imperialist orbit. The first great population "explosion" in world history came with the iron plough and the agricultural revolution of the eighth millenium B.C. Another was brought about by steam power and the industrial revolution of the late 18th and early 19th Centuries. Both these transformations brought with them the means of feeding greatly increased populations, the industrial revolution bringing an unprecedented acceleration in the growth in output per head of population.

In this century, however, the population explosion in India (and the colonial world generally) is the result not of social transformation but of social collapse. The absence of all civilised norms - freedom from starvation, from disease, from intolerable poverty and from the social violence that goes with them - means that there is none of the conditions necessary for a stable population. The capitalist system, which has exploited the toiling millions of the Indian sub-continent, has been incapable of developing the productive forces necessary to achieve social advance. The "population explosion" is not the result of an abnormal propensity to propagate innate in the Indian people, but the consequence of capitalism's failure to secure even a minimum rise in per capita output, in agriculture or in industry. Per capita production of food grains (which provide 75% of the calory intake in India) has declined continuously in this century. In 1918, the average daily quantity available per head was about 20 ounces. In 1945, it had fallen to 15 ounces. Between 1945 and 1952 per capita food supply declined substantially. Although there were periods of increase there was not qualitative advance. Taking 1957-59 as 100, per capita food production declined from 104 in 1964 to 92 in 1965 and 88 in 1966.

Taking the economy as a whole, India remains one of the poorer of the "developing" countries, with a per capita income of under U.S. \$100 (compared with, e.g. Ghana \$230 and Britain approaching \$2,000).



The production of new rice strains, developed in the Phillipines, five times as productive as ordinary rice, which is now spreading in the rice producing areas of India, while it may turn India from a deficit area to a rice exporting country in a few years, will not solve the land hunger in the rural areas. On the contrary it will help to accelerate even more the process of dispossession of the lower layers of the peasantry and the concentration of the land. The process involved the growth of rich farmers and the penetration of barristers and business men into capitalist farming, culminating in the increasing impoverishment for the peasantry!

Given this organic social crisis, it seems surprising that, politically, India has been relatively stable compared with other colonial countries. There have been wars, inter-State clashes, communal riots, terrorist struggles, but in spite of these the regime set up after Independence has survived. On the one hand, the capitalist spokesmen have held India up as an example of the superiority of British democracy. On the other hand, they can hardly believe it themselves, and have to confess with the Foreign Editor of the Financial Times, that they find it "astonishing...that the appalling conditions of the masses have not already produced a strong revolutionary movement".

The explanation for this lies in a number of factors. The most general reason is the massive, heterogeneous, and stagnant character of the country. Except under exceptional conditions of political upheaval, the peasantry, with its grinding poverty, cultural backwardness, and all its narrow local, petty divisions, is a semi-inert mass acting as a brake on social and political change. With the lack of modern concentration and centralisation, the threshold over which localised struggles and tensions have a general effect on society is relatively very high.

In addition, the expansion of world trade since 1948 has to some extent cushioned India from the most extreme consequences of economic backwardness. More specific reasons for relative political stability in the past period, however, must be sought in political developments.

#### Independence and Congress

In the first place, capitalist elements received a strong impulse from the Independence movement itself. Like the bourgeoisie of other colonial countries, the Indian bourgeoisie was too closely tied to Imperialism, too afraid of the masses, to lead a revolutionary struggle.

The capitalist elements grasped Gandhi's "theory" that India's position would gradually improve and that through reforms, with the help of Britain as an "equal partner", India would advance along the road of political and economic independence. Gandhi's philosophy of non-violence ideally suited the ruling class. In any case it was by no



means unconditional: Mountbatten quotes Gandhi as saying he "was not against soldiers and sailors because controlled force, as used by armies and navies was at least preferable to the uncontrollable violence of the mob". In an article in the Times (13.10.69) Mountbatten gives an example of how, in Calcutta in 1947, Gandhi used his influence to reconcile the masses to the partition of Bengal into West Bengal and East Pakistan: "with their passions roused and knives poised, hundreds of thousands were diverted from seeking release through blood and revenge and were brought to recognition of their brotherhood through the love that Gandhi was able to instill in them."

For imperialism, acceptance of class domination is "brotherhood" and attempts to oppose domination nothing more than "blood and revenge". Is it any wonder that Mountbatten, custodian of Imperial interests, should lead the celebrations on Gandhi's centenary?

To maintain their hold over the mass movement the Congress leaders adopted a "socialist" stance. Throughout the 1930s the demand for radical agrarian reform was the main plank in Congress' programme. In 1942, Congress passed a resolution calling for British imperialism to get out of India, proclaiming that "All power should belong to the workers in the factories and peasants in the fields". But no effort was made to mobilise the masses to implement a programme for power. The Communist Party of India followed the line of Stalin's Comintern. At a time when Congress Leaders were going to jail, they passed C.P. leaders being released. To propagate pro-imperialist policies, the "Communist" Party was actually subsidised by the British imperialist government in India to put forward pro-war policies among the masses. In the interests of the Russian bureaucracy's foreign policy, the C.P.I. adopted a programme of support for imperialism.

Manuilski, Bukharin's successor to the leadership of the Comintern, proclaimed that Communists "subordinate the realisation of this right (of the colonial people) to secede (from the Empire) to the purpose of defeating fascism". At the same time (of course) Communists should "demand of the imperialist governments of the so-called bourgeois democratic states the immediate, drastic improvement of the living standards of the toiling masses in the colonies and the granting of broad democratic rights and liberties to the colonies." (*Pravda*, 12th March, 1939). How hollow, how cynical, these humble supplications for concessions seem in the light of subsequent events.

As a result of this treacherous "Popular Front" policy, with no attempt to mobilise the workers and peasants independently behind a class programme, the leadership of the national struggle passed decisively into the hands of capitalist leaders. It provided a basis for the reactionary



Moslem League to split the peasants on religious lines. Using the promise of land reform, Congress was still able to gain a strong hold over a majority of the peasantry, and in the absence of any independent initiative from the working class, over the independence movement as a whole.

The timely concession of independence by Britain further strengthened Congress' hold. It was not Attlee, the "socialist" Prime Minister, but Mountbatten who insisted that Britain must relinquish direct rule at any cost. He understood that to delay handing over to the national bourgeoisie would turn the independence movement into a revolutionary struggle which could flow over to the social issues. By handing over promptly Britain made it possible for Congress to maintain its position and put on the mantle of victory.

In addition, the partition of the sub-continent into India and Pakistan on religious lines provided the ruling class with an extra lever with which to maintain their hold.

Congress was now transformed from a national movement into a political party which maintained a near-monopoly of political office until 1967. Congress represented Big Business and thus withdrew at each successive climax of the struggle because it would have required the revolutionary mobilisation of the masses, which they feared more than imperialism. Hence the tactic of "non-violence" which suited them perfectly.

Immediately after Independence, politicians of all shades jumped onto the Congress bandwagon: "bogus members joined by tens of thousands, the party's opponents joined to take it over". The party became an important element in the stabilisation of Indian capitalism. On the one hand, India's capitalist class achieved a unity that it would not otherwise have attained. Economically, the big capitalists, the landowners, the small capitalists, the rich and rising peasant farmers, all divided by narrow, provincial differences, hardly recognised a common interest. But they recognised the success of the Congress Party and in the national ideal which the party embodied they saw the conditions of their future prosperity.

#### Radical Demagogy

Congress continued, after 1947, to issue radical calls for Socialist policies, land reforms in the countryside and socialisation of the commanding heights of the economy. This radicalism of Congress at the centre reflected pressure mainly from the intermediate layers in the large urban centres who saw the image of their future in the advanced countries and felt the need for a "more up-to-date, left-wing answer to India's problems". (Richard Harris in the Times). This suited the national capitalist and big landlord interests very well. On the one hand, socialist proclamations helped maintain popular support and provided an excuse for the "Communist" Party's continued tail-ending of Congress. On the other hand, it coincided with



their desire for the state to run and subsidise the basic heavy industries in the interests of the private sector (this is what the "Socialist" Five-Year Plans amounted to). National leaders like Nehru used socialist language, but implemented capitalist policies, and had little power over the party machines in the States. Democracy in the Congress Party meant that the rank-and-file could say what they liked, pass whatever resolutions they pleased, so long as big capital took the decisions.

Thus resolution after resolution on land reform were passed and laws actually put on to the statute books in most states, but they either remained unimplemented or were implemented in such a manner that they increased the concentration of land into the hands of the landlords and rich peasants.

Nehru, like Mrs. Gandhi, now blamed the failure of land reform policies on the fact that this was the responsibility of the State governments and he could not intervene. However, when the C.P.I. government in Kerala attempted to implement Congress' land reform programme in 1957, the central government stepped in and replaced the elected government by President's rule.

The National Congress represented an extremely tenuous unity, with the party in the states representing different sections of the ruling class not under the control of the centre. In the past period, however, the party machine in a number of important states, and based on this, the national apparatus, became increasingly dominated by the representatives of the big national monopolies. Given the endemic corruption in India, together with the very amorphousness of the other interests, it was simple enough for them to buy control in decisive areas. This group, whose policies reflected the outlook of the handful of monopolies which dominate the industrial sector, became known as the "Syndicate". These "strong men", such as Reddy, Patil and Nijalingappa, came increasingly to take the decisive policy decisions. The splitting apart of Congress, however, has sharply isolated the "Syndicate" from the other interests and especially the rank-and-file of the party.

This isolation of the monopoly interests flows ultimately from the inability of the capitalist class as a whole to translate its national ideal into economic reality. The small local capitalists, provincial landlords and the intermediary layers of "middle-men" are abandoning hope of a modern, national development and reverting to their own narrow, provincial interests, turning to their own drastic "solutions". They are able to use the uneven and unequal distribution of scarcity - of food, land, jobs - to whip up the racial, tribal, religious hysteria fed by extremes of poverty to divert the workers and poor peasants to their own ends.



The petty job-hunters and politicians are only too willing to struggle for linguistic or ethnic states which, in the name of the preservation of culture, would create for them exclusive preserves of jobs and offices, shutting out competitors. While Marxists would support the creation of autonomous linguistic states to be linked on socialist lines in an Indian Unitary Federation, they recognise the reactionary features of the States which result from the policies of Congress and the incapacity of the C.P. to provide a revolutionary solution. The demands for strong Hindu, Sikh or Muslim states, although taking the form of extreme religion, are in fact demands to secure to the various capitalist and landlord elements concerned a monopoly right to exploit their own ethnic or religious group. They want "provincial protectionism" instead of "national free trade", in a futile and regressive attempt to insulate themselves from the domination of the world market on which only the big monopolies can compete successfully.

The defeat of Congress in six states in the 1967 General Elections (and in another three soon afterwards when dissident factions deserted Congress governments) and the spread of shaky coalitions from one state to another, clearly indicated that the Congress party, the empty shell of national unity, was breaking down into its component parts. Within three years this process has been brought to a head with Mrs. Gandhi's clash with the Syndicate and the split of the Party into two. "The divisions in Indian society may (will inevitably!) become progressively sharper with the collapse of the Congress umbrella under which ideological opponents have co-existed for so many years". (Economist 16.8.69)

### The Split

The split in Congress flowed from the growth isolation of the Syndicate, on the one hand, and growing pressure for action on the economic and social issues that have become particularly acute in the last two or three years, on the other hand. To maintain her position as leader of the party, Mrs. Gandhi was forced to break the stranglehold of the Syndicate. The bank nationalisation was essentially a manoeuvre to rally support. This move, which was immediately seen as a blow against the monopolies, quickly drew a response, re-inforcing the radical mood of the rank-and-file and wider layers also. Mrs. Gandhi, however limited her intentions, was forced forward, and the logic of events carried the split to its conclusion in the formal division of Congress.

That this action was forced on Mrs. Gandhi and her faction of the leadership is shown by the complete opportunism with which she moved. To nationalise the banks, she had to remove Desai, the finance minister who was "greatly respected in the west for his integrity and economic orthodoxy" (his dedication to imperialism) and who represented the



Syndicate. But Desai had been Mrs. Gandhi's deputy for several years: his policies had been her policies. Similarly, on the issue of the presidential elections Mrs. Gandhi had previously supported Reddy, the Syndicate's candidate, and only switched her support to the "left's" "independent" candidate (under the cover of supporting a "free vote") when the party struggle made it expedient. Then she began to denounce the "sinister monopoly interests" who were "conspiring behind the scene to gain political control" - i.e. the clique of which she had been a part. She herself, for instance, had installed Mr. Nijalingappa, now her leading opponent, as Congress Party boss in 1967. Mrs. Gandhi received massive popular support, with big demonstrations in many areas, and carried large majorities in both the parliamentary and national Congress parties. Such was the support that the Syndicate avoided attacking her openly, concentrating their criticisms on her "disregard for party discipline" and her "failure in foreign policy". In the first instance, they moved against the "left" Congress MPs, attempting to reach a compromise with Mrs. Gandhi, and only later expelling her and a majority from the party. As a matter of fact, it was the Syndicate which was thrown out. This begs the question: why, if there was such massive support, did Mrs. Gandhi not move against the monopoly interests and attempt to carry out reforms before the end of 1969?

Mrs. Gandhi's hesitant movements in the last few months reflect the contradictory position of the political elements who, on the basis of the small business and intermediary layers of society, attempt to advance along a precarious and "middle" way. In order to advance the interests of the small producers they want "Socialist" measures against the big monopolies. But they hesitate to make a fundamental attack on big property for fear that once the masses were called into action against private interests they would not be satisfied with the overthrow of big property and they, the small property owners, might lose their own into the bargain.

This shows itself in the growing discrepancy between the radical "Socialist" policies proclaimed by Mrs. Gandhi (and especially by the Congress "Left") and the real content of the government's actions. Compelled to mobilise the middle layers against the Syndicate, Mrs. Gandhi announced new advances towards "socialism" in her Bangalore Programme. In fact the measures she has taken have been extremely limited. The bank nationalisation measure was timid in the extreme. It is intended to increase the availability of credit to the credit-starved small businessmen and farmers.

Under private ownership the banks were linked with the big enterprises, and agriculture, for instance, which accounts for half the national product, got only about 10% of all commercial bank credit. But nationalisation will make little difference as far as a rational distribution of credit is concerned, since the banks will retain their separate identities;



all the executives will be kept on; the interests of depositors will be safeguarded with no loans to small business men and farmers on an "uneconomic" basis; and not even the privacy of accounts, which conceals tax evasion on a vast scale, will be invaded. Far from solving any problems, these measures may even lead to an expansion of the extensive network of unofficial, unorganised moneylenders who charge rates of interest much higher than the big banks.

At the Bombay conference of the Congress majority following the split, the delegates voted for a whole number of resolutions calling for the nationalisation of foreign trade, insurance, other important industries, for limits on incomes from property and the immediate implementation of land reform. This out-pouring of "Socialist" phrases undoubtedly strengthened support for Mrs. Gandhi; but speaking to western correspondents the Prime Minister expressed "reservations". Further nationalisation could be introduced only as circumstances allowed over a period of time, the limitation of incomes was a matter for the future, land reform was urgent but the responsibility of the state governments..... and so on and so on.

So far, her measures affect the interests of an extremely small proportion of the population. She has stopped short of measures such as land reform, increases in progressive taxation and a ceiling on incomes, which would cut into the interests of the middle layers, who at the moment are being recruited into the party by the thousand.

Anybody with the slightest understanding of Marxism can see the bankruptcy of Mrs. Gandhi's policies. And the loquacious Congress "lefts" are in practice no better: they suffer from the same limitations and simply have more freedom to say whatever they please. Their resolutions promising new heights of radicalism contain no indication of how or when their "Socialist" aims can be achieved and they make no serious efforts to mobilise the poor peasants and workers.

At the same time, the opportunist "Communist" Parties grasp hold of Congress' "left" manifestos as an excuse for supporting the "progressive national and democratic elements" against imperialism. At the same time, they do not advocate critical support of Congress in the Mrs. Gandhian form while mobilising the workers round a programme of transitional demands linked with the question of fighting for power. The Communist Parties, by using the excuse of their own weakness and the "danger of reaction" to support Congress' armchair socialism, are allowing millions of workers and peasants to be drawn into a trap. Neither Mrs. Gandhi nor her "socialist" followers have any solution. While her reforms may bring limited improvements, in the long run they will open the way to reaction. The Syndicate is biding its time waiting for the enthusiastic upsurge of the workers and peasants in support for Mrs. Gandhi to subside in



disillusionment and prepare the way for reaction. They are preparing for some sort of agreement with the Jan Sang and the reactionary parties of Hindu Communalism and landlord-capitalist reaction.

The bank nationalisation, even combined with the subsequent measures to allow the state to turn loans to private industry into equity shares and to license production, will not break the domination of big capital organically connected with foreign capital.

In the last decade concentration has rapidly accelerated; it is estimated that 75 families effectively control 80% of industry. In these ten years the expansion of the industrial sector has been almost exclusively in the area of service industries based on existing industries. The increase in the production of manufactures has been largely on the field of capital goods which have little effect on spreading the diffusion of industry.

Mrs. Gandhi recently demanded that foreign-owned firms should "export more to help India's balance of payments problem". But foreign corporations invest in India precisely because of the large profits they can make, not solve India's problems. A recent survey of some of the main British companies in India found that between 1955 and 1964 they increased their assets from £62m by £70.8m to £132.8m, making average annual gross profits of £28.2m.

At the same time, Britain's trade with India has been steadily declining in relative terms: it is a real indication of the impasse when capitalism begins to turn its back on a potential market of over 500 millions.

Meanwhile, India's indebtedness grows steadily; about  $\frac{1}{3}$  of all foreign aid and credit goes straight back in interest. And at the other extreme from the handful of monopolies, small enterprises, employing less than 50 persons with power (100 without power) account for 50%-70% of all industrial businesses. Despite massive government hand-outs, they are incapable of expanding their output to keep up with the population growth. Because of the vast reservoir of cheap labour, technological innovation is an exception; small enterprises account for as much of the national product as factories, but use four times as much labour. Feudal land relations with millions of families living on plots too small to support them and the interlocking network of old fashioned handicrafts and back yard workshops, create a vicious circle of stagnation.

This places a block on the development of a market which would allow capitalism to develop on a scale sufficient for it to survive on the world market, and, instead, produces multiplying layers of parasitic "middle-men" money-lenders and land agents, with a powerful vested



interest in maintaining existing conditions. The so-called "green revolution" has raised crop-yields in some areas, but it has actually increased social differentiation in the countryside. Only farmers who can afford credit and costly irrigation can use modern methods, and so the introduction of new techniques strengthens their position at the expense of the poorer farmers living on uneconomic, fragmented plots.

Capitalism has long passed the point of exhaustion as far as the under-developed countries are concerned. The experience of the last fifty years has shown that the only way in which society can advance is through the intervention of the masses in support of the liquidation of the feudal and capitalist elements to make it possible to develop production on the basis of a centralised planned economy. The examples of Russia and China, in spite of the bureaucratic distortions, have demonstrated this beyond doubt. The rotten Indian bourgeoisie is incapable of fulfilling a progressive task. Nor will it be accomplished by the intermediary layers led by politicians such as Mrs. Gandhi. It will be achieved only by the mobilisation of the millions of workers and poor people in the countryside under the leadership of a working class vanguard organised around a socialist programme.

#### Kerala and West Bengal

The Communist Party of India, however, has failed completely to live up to its pretended historic responsibilities. Throughout the 1950s it steadily gained support, tripling its share of the votes nationally. Its main support was, and continued to be, in Kerala, with its exceptionally high educational level by Indian standards, and in Andhra and West Bengal with their large industrial concentrations.

At the same time, the Moscow-orientated leadership became increasingly divorced from the rank and file. The border dispute and war with China in 1959-62 split the party down the middle. The Russian bureaucracy continued its support for Nehru, but such was the prostration of the pro-Moscow leaders, that a majority broke away in support of the pro-Chinese wing, despite the general unpopularity of China's actions.

"It was staggering", writes Ronald Segal in Crisis in India, "how much closer to Nehru's policies the senior leaders of the Communist Party seemed to be than most spokesmen of Congress itself". Using the excuse that Nehru alone prevented the government from using the war as an excuse to smash the C.P.I. and that the only hope of progressive policies lay in strengthening Nehru, the CP "leaders" avoided any suggestion of an independent stand. Led by Namboodiripad, leader of the Kerala CP, a majority of the party in West Bengal, Kerala and other important areas, came out



in opposition to the old guard led by S.A. Dange. They repeated all the criticisms of the Moscow leadership made by the Chinese Party, of their opportunism, their reformist approach, their lack of internationalism, etc., many of them correct in themselves but applying equally to the actual policies of the Chinese Party. Its support for Ayub Khan in Pakistan, and the policies pursued by the pro-Chinese parties in Indonesia, Pakistan and elsewhere, showed that their policies reflected the narrow interests of a national bureaucracy no less than those of the Russian Party.

In reality, the split in the C.P.I. reflected the conflicting interests of different groups within the party apparatus, not a return to internationalist perspectives. The fact that Namboodiripad, who led the pro-Chinese faction, had until the split been General Secretary of the C.P.I. indicates this. Undoubtedly, support for the slogans of the Chinese wing did reflect rank-and-file pressure for more militant policies but its leadership represented the opposition of functionaries whose position was being endangered by the national leadership's increasing divorce from mass support in the localities. The old guard was mainly middle class in origin, western in its education, had been imbued with the slavish parliamentary outlook of the Nehru period, and depended more on Moscow's favour than its support from below.

While there was widespread hostility towards China, sections of the working class and the peasantry saw China as an impressive material success in sharp contrast to conditions in India. From the point of view of the "left" leaders, which still viewed politics primarily from a parliamentary position, the "theories" of Maoism which lay emphasis on the peasantry as the main revolutionary force, provided a convenient justification for opportunist appeals to the peasantry whose support, in a country of 80 million peasant families, is essential for electoral success. Of course, Marxists understand the need for peasant support if the bourgeois-democratic revolution is to be carried through to a conclusion. But it is necessary to explain that only revolutionary measures leading to workers power and the establishment of a workers and peasants democracy can really serve the needs and interests of the peasantry. Only thus can landlordism and capitalism be overthrown. It will not be done with alliances and conditions suiting "national" capitalists and "national" landlordism. Events since the split have proved that the C.P.I.(M) is no more able to play a revolutionary role than the C.P.I. from which it broke.

When the C.P.I. (M) came into office in West Bengal last February as the main party in the United Front, the "Times" commented: "the communist success might make for a more stable government.... it does not follow that the revolutionary party elected to power in a revolutionary state will plunge into revolutionary activity..... The example of the communists in Kerala has not been one of extremism" (14.2.69). It is in the interests of the ruling class to use the "communist" Leaders to contain mass opposition to the system. The C.P.I.(M) returned to office in Kerala in 1967 but "nothing has happened, nothing attempted, nothing achieved (F.T.)



It is not our fault, says C.P.I. (M) leader Gopalan, it's the system and at the moment we have insufficient support to change it. In the meanwhile, Gopalan assures investors through the columns of the Financial Times that they will "find a genuine welcome for their investment" - until the time for revolution should come. Such is their bankruptcy: they provide a prop for capitalism until such time as the ruling class will turn to use disillusionment with the "communist government" to discredit the ideas of socialism and attempt to smash the left.

In West Bengal, the action of the Central Government in ousting the United Front government a few months after it had been elected (in 1967) rebounded on it last February. The Amrita Bazar Patrika reported that news of the U.F.'s victory was received "amid unprecedented scenes of jubilation, reminiscent of the days when Congress came to power after Independence". But the indications that the C.P. Leaders saw parliamentary power as an end in itself were already there when they formed a "United Front" with the C.P.I., the Bangala Congress Party and various other "left" parties on the basis of a 32 point "minimum programme". This was nothing if not a new variation of the Popular Front. The Popular Front is a coalition with "liberal" sections of the exploiters. Lenin all his life fought the Mensheviks who put forward similar policies and carried them out in the coalition Kerensky Government of 1917 to which the Bolsheviks offered implacable opposition. The correctness of this policy was vindicated in the revolution of October, 1917. Agreements between classes diametrically opposed as are the workers and peasants with the landlords and capitalists always ends disastrously for the exploited classes. The capitalists only agree when they are threatened with collapse, only to use such governments to paralyse the initiative of the masses and with their subsequent demoralisation turning to reaction.

The "United Front's" programme, while containing reforms which would be in the workers' interests, is based on a contradiction. It aims to prevent unemployment by resisting the introduction of automation. It opposes lay-offs and aims at fixing wages on the basis of need rather than productivity. It stands for the non-intervention of the police in trade union struggles. But it avoids the basic problems: the structure of society. The problems of West Bengal - "land problems, irrigation problems, food production problems, rural electrification and water supply problems, education problems, and so many other fields...." (A.B.P.) - and the condition of Calcutta, the "nightmare city", are incapable of piecemeal solution. In fact, insofar as the U.F.'s reforms are implemented, the immediate problems will be accentuated. There has been a steady decline of investment in West Bengal for a whole period and "the recession-bound industries..... are not expected to recover if the mandate of the U.F. is implemented" (Financial Times, 14.2.69). On a capitalist basis, industries such as engineering and jute will go to the wall unless they are able to solve their problems at the workers' expense. The "Communist" leaders are faced with a clear choice: either link up the immediate



demands with a programme for the socialist transformation of society or make way for defeat.

Writing in the Times recently, Joyti Basu, the C.P.I.(M) Deputy Chief Minister of West Bengal, tried to explain to its readers "Why Marxism makes slow progress" in India. The main reason he adduced was that, as yet, there was insufficient support for Marxist policies, the people (i.e. the electorate) is not yet ready. The classical excuse of reformists! If the leaders have to wait until the workers and peasants are "ready" they will wait until - the counter-revolution. These leaders apparently have nothing to do with building amovement to change society - they wait until it comes.

But the tremendous enthusiasm for the U.F. victory shows that large sections are already impatient for a lead, are ready to move. They are waiting for the "leaders". Hundreds of thousands of workers took the election of the U.F. as the signal to stage a series of "gheraos", occupations of factories for wage increases. The U.F. Government refuses to use the police to protect the employers - who are frequently locked in until they agree to concessions - against the workers, and they take this to be very "revolutionary".

But in the absence of a campaign of a campaign of action to organise the workers behind a socialist programme this is far from revolutionary in itself. As in the past and on an increasing scale, these unorganised struggles will lead to conter-attacks and increasing violence which can be used by the ruling class to discredit the ideas of socialism, confuse the people, and panic the middle layers in the direction of reaction. The inevitable outcome will be that sooner or later, the U.F. will collapse or be ousted, and this will be followed by attacks on the workers.

The logic of events is such that, in the first place, the C.P.I. (M), like the Popular Front governments in the past may even attempt to use the police and the army against the workers to show that they can keep "order" - "in the interests of socialism", of course. Already, they have been implicated in the emergency laws directed against the Naxalites, who are attempting to implement Mao's ideas of guerrilla struggle amongst the landless peasants. While the Naxalite's turn towards the peasantry can provide not way out, the fact that they are getting a certain support for these policies in a state that contains a strong working class underlines again the utter bankruptcy of the C.P.I. (M) Leaders.

However sincere the attempt of the Naxalites to find a revolutionary path, their perspectives are mistaken. The peasantry can provide the basis for Bonapartism, capable under certain conditions of directing social change, but cannot provide the leadership for a socialist revolution



However corrupt the present leaders of the workers' movement, it is the working class that must provide the leadership for the socialist revolution. Great events and splits in the Stalinist parties will provide the forces: the task of Marxists is to arm these forces with perspectives and a programme.

### Perspectives

What is the mostly likely course of developments now? One thing can be said with certainty: massive upheavals are being prepared. The process of the polarisation of forces is being rapidly accentuated.

For a period Mrs. Gandhi's Congress will undoubtedly continue to gain support. The Congress politicians were surprised that the party's struggle gave it a new lease of life in many areas. Action was being taken for the first time in more than twenty years - that was the mood of many thousands. Mrs. Gandhi's supporters at once began to recruit the intermediary elements on the basis of "socialist policies". But this will not last indefinitely, only for as long as Congress appears to be capable of action. Even promises of action, however, will have consequences beyond the intentions of the politicians. Demands for action will be transmitted to wider layers of the people under the resulting pressure Mrs. Gandhi will either be compelled to make further moves against the landlords and monopolies or to stall, retreat and open the way for a new alignment of political forces.

What way out is there for capitalism? The more far-sighted representatives of the ruling class would prefer, in the first instance, to use radical phrases and lean on the "Communist" and other "left" parties, possibly entering into coalitions, in order to head off the mass movement. Understanding the dangers of an immediate clash, they would attempt to postpone it until a time more advantageous to them. All the indications of Mrs. Gandhi's class limitations are already there. Her radical promises, for instance, are accompanied by insistent denials of any association with "Communism". "Socialism" will be introduced by parliamentary-democratic means, and she rejects the demands of the Congress "Left" to abolish the article in the constitution guaranteeing the right of private property.

While making use of the C.P.s, which pledge their support for her against the Syndicate, Mrs. Gandhi hotly denies any alliance. Despite increasing aid from the Russian bureaucracy, she rigorously upholds the fiction of India's neutrality. This undoubtedly reflects the fears of many small property owners which have been fed by the example of the Stalinist bureaucracies and which the two C.P.s have done nothing to dispel. Such fears are proof that while these middle layers are prepared to embrace socialism when it benefits them against big capital, their fear of the propertyless provides a basis for their return, in the future, to the camp



big capital, for the preservation of law, order and property against "anarchy". Again, this underlies the criminal role of the CPI and CPI(M) in not advancing a worked out programme which would provide an alternative in the form of clear social gains and Socialist Democracy. On the other hand, Mrs. Gandhi's statements of her intentions cannot be taken at face value. Already she has backed up the nationalisation of the banks with the nationalisation of certain imports of industrial raw materials, measures she had previously opposed. The capitalist press in Britain has already understood that she will most probably adopt further measures, in the first place to outbid the Communist Parties and maintain her independence of their support.

Although the giant corporations of the West continue to plunder India for profits, the world market has been increasingly concentrated in the advanced countries themselves and away from the under-developed world. This has been reflected by the gravitation of India towards the Stalinist block, which, for its own reasons, has steadily increased military and economic aid to India. For certain sections of the middle layers this aid appears as a more viable basis for their future development than connections with the West.

In spite of Mrs. Gandhi's "neutralist" stand, her government has become increasingly dominated by politicians with a strong hostility to the West, and this has shown itself in India's diplomacy. Since the wars with Pakistan and China, moreover, the Indian army has increased in size and military strength, creating another condition for a possible bourgeois Bonapartist development.

India is not a country without a working class of any significance. About 30% of the working population of over 100 millions are employed in industry and services and the working class makes up a force with a weight in society out of proportion to its numerical strength. The working class alone can provide the drive to carry through a reconstruction of society on socialist lines which, for India particularly, would pre-suppose a linking up on an internationalist basis with the rest of Asia.

The existence of a powerful working class, which, despite its present conservative leadership, would inevitably take independent action, and on the other hand, the existence of relatively powerful, deeply entrenched compradore and other capitalist interests sets the basis for the struggle. Already the regional, religious and other differences are being used to prepare the conditions for reaction. In the recent elections ultra-reactionary groups, such as Swatantra, Jan Sang and the para-military RSS, which draw on the demoralised middle layers, using religious antagonisms as a powerful whip, have made significant gains.



In the Punjab, Jan Sang (representing Hindu extremism) has formed a ruling coalition with Akali Dal (representing Sikh extremism) on the common basis of reactionary policies. During the struggle within the Congress the Swatantra, formed by a number of princely families and backed by business sections, attacked Mrs. Gandhi for her failure to implement Congress' "socialist policies" and called for more radical policies of nationalisation!

What this means is, not that Swatantra is moving towards socialism, but that, on the basis of anti-monopoly slogans, it is attempting to mobilise mass support from the impoverished middle layers in order, at a later date, to be able to use them as a battering ram against the workers' movement. Under these conditions, it cannot be ruled out, moreover, that the army will not attempt to step in directly as the agent of reaction at a certain stage, and establish a bourgeois Bonapartist dictatorship through military rule.

The existence of a strong working class makes it impossible for Big Business to find any easy solutions. But the failure of the Communist Parties to give a lead creates deadlock which the army leaders, their "patience exhausted", may attempt to resolve. But if the military Junta in Pakistan, after a period of dictatorship, has not been able to solve its contradictions, the chances of such a solution in India are even more remote. Such a move from the army could only provoke even greater upheavals in the long run.

Because of the postponement of the revolution in the advanced countries in a period when capitalism on a world scale is no longer capable of developing society, the contradictions in a country such as India have been carried to grotesque extremes. The Stalinist bureaucracy which, in the final analysis, arose from the weakness of the world working class, became in turn (together with the reformist labour "leaders") the main factor in the holding back of the socialist revolution. This is the case in India. Had the Russian leaders after Lenin used the political influence and economic power resulting from the October Revolution and the gains that were preserved, the way would already be open to a World Socialist Federation of States through which alone the backward countries can be delivered from the prolonged agony of capitalist development.

Only now, after twenty-five years of political retreat, is the process of revolutionary struggle being taken up in the West where it was broken off in 1939. But the workers and peasants of India (or other colonial countries) cannot await developments elsewhere. Only by their own struggle under the banner of the "Socialist United States of Asia", elaborated and explained in a manner comprehensible to the oppressed millions, can they achieve the internationalist collaboration with the workers of the West and the world working class as a whole on which the future development of society depends.



# Trotsky

## on Workers' Control

### Introduction

The question of Workers' Control is receiving wide publicity in the Trade Union and Labour Movement. Unfortunately, it is mixed up with the idea of Workers' Management which is an entirely different conception.

We reprint below the Chapter on Workers' Control taken from Leon Trotsky's book "What next for Germany". Written towards the end of 1931, the material in it clearly explains the differences between the two. At the same time, it shows the method of Marxism in contrast with those of Stalinism and Reformism.

EDITOR.



# ***From the Archives:-***

Whenever we speak of the slogans of the revolutionary period, the latter should not be construed in too narrow a sense. The Soviets should be created only in a revolutionary period. But when does that begin? One cannot consult the calendar and thus learn. One can only feel one's way through action. The Soviets must be created at the time when they can be created.\*

The slogan of workers' control over production relates, particularly and in general, to the same period as the creation of Soviets. But neither should this be construed mechanically. Special conditions may draw the masses toward control over production considerably prior to the time when they will evince themselves ready to create Soviets.

Brandler and his left shadow - Urbahns - have used the slogan of control over production, independently of the political background. This has served no purpose other than to discredit the slogan. But it would be incorrect to reject the slogan now, under the conditions of the looming political crisis, only because on the face of it the mass offensive doesn't exist as yet. For the offensive itself, slogans are necessary which would define the perspectives of the movement. The period of propaganda must inevitably precede the penetration of the slogan into the masses.

The campaign for workers' control can develop, depending upon the circumstances, not from the angle of production but from that of consumption. The promise of the Bruning government to lower the price of commodities simultaneously with the decrease in wages has not materialised. This question cannot but absorb the most backward strata of the proletariat, who are today very far from the thought of seizing power. Workers' control over the outlays of industry and the profits of trade is the only real form of struggle for lower prices. Under the conditions of general dissatisfaction, workers' commissions, with the participation of worker house-wives, for the purpose of checking up on the increase cost of margarine can become very palpable beginnings of workers' control over industry. It is self-evident that this is only one of the possible manners of approach and it was given only as an example. Here the matter will not as yet concern the management of industry; the working women will not go so far at once, such

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\* Let it be borne in mind that in China, the Stalinists worked against the creation of Soviets during the period of revolutionary upsurge; whereas, when they decided upon an insurrection in Canton during the wave of recession, they appealed to the masses to create the Soviets on the very day of the insurrection!



a thought is far removed from her mind. But it is easier for her to pass from the consumer control to the productive control and from the latter to the direct management, depending upon the general development of the revolution.

In contemporary Germany, under the condition of the present crisis, control over industry signifies control not only over the operating but also over the partly operating and shut down industries. This presupposes the gaining over the control of those workers who worked in those industries prior to their dismissal. The task thereby must consist of setting the dead industries into motion, under the leadership of Factory Committees on the basis of an economic plan. This leads squarely to the question of the governmental administration of industry, i.e., to the expropriation of the capitalists by the workers' government. Workers' control, in this wise, is not a prolonged, "normal" condition, like wage scale agreements or social insurance. The control is a transitional measure, under the conditions of the highest tension of the class war, and conceivable only as a bridge to the revolutionary nationalisation of industry.

The Brandlerites accuse the Left Opposition of having snatched from them the slogan of control over production after having jeered at this slogan for a number of years. The accusations has quite an unexpected tone! The slogan of control over industry was first issued, on a wide scale by the Bolshevik party in 1917. In Petrograd, the charge over the entire campaign in this sphere, as well as in others, was placed in the hands of the Soviets. As an individual, who watched this work and participated in it, I bear witness that we were never obliged to turn to Thalheimer-Brandler for initiative, or to make use of their theoretical information. The accusation of "plagiarism" is formulated with considerable carelessness.

But this is not the chief trouble. The matters are much worse with the second part of the accusation - until now, the "Trotskyists" have argued against a campaign under the slogan of control over production, but right now they come out for this slogan. The Brandlerites see herein our inconsistency! As a matter of fact, they only reveal a complete ignorance of revolutionary dialectic, which is packed into the slogan of workers' control by reducing it to a technical prescription for "mobilising the masses". They condemn themselves when they cite the fact that they have been repeating for a number of years the slogan which is suitable only for a revolutionary period. The woodpecker who has drilled away at the bark of an oak tree, year in and year out, in all probability at the bottom of his heart, also holds to the conviction that the woodman, who had chopped down the tree with the blows of his axe, has criminally plagiarised from him, the woodpecker.

For us, therefore, the slogan of control is tied up with the period of dual-power in industry, which corresponds to the transition from the bourgeois regime to the proletarian. Not at all, contradicts us Thalheimer



dual-power must signify "equality (!) with the proprietors"; but the workers are fighting for their complete leadership of industries. They, the Brandlerites, will not allow the revolutionary slogan to be "castrated" (that is they way they put it!). To them, "control over production signifies the management of the industries by the workers". (January 17, 1932). But why then call management as control? In the language of all mankind under control is understood the surveillance and checking of one institution over the work of another. Control may be active, dominant, and all-embracing. But it remains control. The very idea of this slogan was the outgrowth of the transitional regime in industry when the capitalist and his administrators could not longer take a step without the consent of the workers; but on the other hand, when the workers had not as yet provided the political prerequisites for nationalisation, nor yet seized the technical management, nor yet created the organs essential for this. Let us not forget that what is broached here concerns not only the taking charge of corporations, but also the sale of products, and the supplying of factories with raw materials, and new equipment, as well as credit operations, etc.

The correlation of forces in the factory is determined by the force of the general onset of the proletariat upon the bourgeois society. Generally speaking, control is thinkable only during the indubitable preponderance of the political forces of the proletariat over the forces of capitalism. But it is wrong to think that in a revolution all questions must needs be and are solved by force: the factories may be gained with the aid of the Red Guard; their management requires new legal and administrative prerequisites; and over and above that, knowledge, routine, and organs. A certain period of apprenticeship is required. The proletariat is interested in leaving the management during that period in the hands of an experienced administration, but compelling it to keep all the books open and establishing a wide awake supervision over all its affiliations and actions.

The workers' control begins with the individual workshop. The organ of the control is the factory committee. The factory organs of control join together with each other, according to the economic ties of the industries themselves. On this stage there is no general economic plan as yet. The practice of workers' control only prepares the elements of this plan.

On the contrary, the workers' management of industry, to a much greater degree, even in its initial steps, proceeds from above, for it is inseparable from state-power and the general economic plan. The organs of management are not factory committees but centralised Soviets. The role of the factory committees remains important, of course. But in the sphere of management of industry it has no longer a leading but an auxiliary role.



In Russia, where following the bourgeoisie, the technical intelligentsia was convinced that the Bolshevik experiment would endure only a few weeks, and therefore had steered its course towards all sorts of sabotage and had refused to enter into any agreements, the stage of the workers' control did not develop. Moreover, the war was destroying the economic structure by changing the workers into soldiers. Therefore, there is comparatively little in the Russian experience to be found in relation to workers' control, as a special regime in industry. But this experience is all the more valuable for the opposite reason: it demonstrates that even in a backward country under the general sabotage of not only the proprietors but also of the administrative-technical personnel, the young and inexperienced proletariat, surrounded by a ring of enemies, was able nevertheless to assemble the management of industry. What wouldn't then the German working class be able to accomplish!

The proletariat, as has been said above, is interested in seeing to it that the transition from the private capitalist to the state capitalist and then to the socialist method of production be accomplished with the least economic convulsions and the least drain upon the national wealth. That is why, while nearing power and even after seizing power, by way of the boldest and most decisive struggle, the proletariat will evince a complete readiness to establish a transitional regime in the factories, plants and banks.

Will the relations in industry in Germany during the period of revolution be composed differently from those in Russia? It is not easy to answer this question, particularly from the side lines. The actual course of the class struggle may not leave place for workers' control, as a special stage. Under the extreme tension of the developing struggle, under the increased pressure of the workers on the one side and the sabotage on the part of the proprietors and administrators, on the other, there may be no room left for agreements, even though temporary. In such a case, the proletariat will have to assume together with the power, the full management of industry. The present semi-paralysed state of industry and the presence of a great army of unemployed make quite possible such a "condensed" way.

But, on the other hand, the presence of mighty organisations within the working class, the bringing up of the German workers in the spirit of systematic activities and not of improvisations, and the tardiness of the masses in swinging towards revolution which can tip the scale in favour of the first way. Therefore, it would be inexcusable to reject beforehand the slogan of control over production.

In any event, it is obvious that in Germany, even more than in Russia, the slogan of workers' control has a purport apart from that of workers' management. Like many other transitional slogans, it retains an enormous significance independent of the degree to which it will be realised in reality, if realised at all.



By its readiness to establish transitional forms of workers' control, the proletarian vanguard wins over to its side the more conservative strata of the proletariat, and neutralises certain groups of the petty bourgeoisie, especially, the technical, administrative, and banking staffs. Should the capitalists and the entire upper layer of the administration evince an utter irreconcilability by resorting to methods of economic sabotage, the responsibility for the severe measures that spring therefrom will fall in the eyes of the nation not upon the workers but upon the hostile classes. Such is the supplementary political purport of the slogan of workers' control along with the above mentioned economic and administrative purport.

In any case, the extremes of political cynicism are attested by the fact that those people who have issued the slogan of control in a non-revolutionary environment and thereby have given it a purely reformist character, accuse us of centrist duality, because of our refusal to identify control with management.

The workers who will reach the questions of the management of industry will not wish nor will they be able to become drunk with words. They have become used in factories to dealing with materials, less flexible than phrases, and they will comprehend our thoughts better than bureaucrats; genuine revolutionary thinking does not consist in applying force everywhere and at all times, and far less in choking with verbal enthusiasm over force. Where force is necessary, there it must be applied boldly, decisively and completely. But one must know the limitations of force, one must know when to blend force with a manoeuvre; the blow with an agreement. On anniversaries of Lenin's death the Stalinist bureaucracy repeats conned phrases about "revolutionary realism" in order the more freely to jeer at it during the remaining 364 days.

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The prostituted theoreticians of reformism attempt to discover the dawn of socialism in the emergency decrees against the workers. From the "military socialism" of Hohenzollerns to the police socialism of Bruning!

Left bourgeois ideologists dream of a planned capitalist economy. But capitalism has had time to demonstrate that in the line of plans it is capable only of draining the productive forces for the sake of war. Disregarding everything else, in what manner can the dependence of Germany - with its enormous figures of import and export - upon the world market be regulated?



We, on our side, propose to begin with the sector of the German-Soviet relations, i.e., the working out of a wide plan of collaboration between the soviets and the Germany economy in connection with and supplementary to the second five year plan. Tens and hundreds of the largest factories could go ahead at full steam. The unemployment in Germany could be entirely liquidated - it would hardly take more than two or three years - on the basis of an economic plan, which would embrace from all sides only these two countries.

The leaders of capitalist industry in Germany, obviously, cannot make such a plan, because it means their social self-elimination. But the Soviet government, with the aid of German workers' organisations, first of all, the trade unions and the progressive representative of German technology, can and must work out an entirely practical plan, capable of opening truly grandiose perspectives. How petty will appear all these "problems" of reparations and supplementary toll pfennigs in comparison to those possibilities which will be opened by coupling the natural, technical and organisational resources of the Soviet and German national economies.

The German Communists are spreading wide-scale propaganda concerning the successes of Soviet upbuilding. This work is necessary. They fly into sugared embellishments. That is entirely superfluous. But worse yet, they have been unable to link together both the successes and the difficulties of the Soviet economy with the immediate interests of the German proletariat; with unemployment, with the lowering of wages, and with the general economic impasse of Germany. They have been unable and unwilling to pose the question of Soviet-German collaboration on a strictly practical as well as deeply revolutionary basis.

During the first stage of the crisis - more than two years ago - we posed this question in print. And the Stalinists immediately set up a hue and cry that we believe in the peaceful co-existence of socialism and capitalism, that we want to save capitalism, etc. They failed to foresee and understand just one thing to wit, what a potent factor in a socialist revolution a concrete economic plan of collaboration could become, if it be made the subject of discussion in trade unions, and at factory meetings among the workers of operating as well as of shut down industries; and if it be linked with the slogan of workers' control over production, and subsequently with the slogan of seizing power. For international planned collaboration can be realised only under government monopoly of foreign trade in Germany, and the nationalisation of the means of production, in other words, under the dictatorship of the proletariat. Along this road, one could pull new millions of workers, non-party, social-democrat, and Catholic, into the struggle for power.



The Tarnows are scaring the German workers with the prospect that the industrial break-down as a consequence of the revolution would result in frightful choas, famine, etc. Let it be kept in mind that these same people supported the imperialist war which could bring to the proletariat in its train nothing save tortures, hardships and degradation. To burden the proletariat with the agonies of war under the banner of the Hohenzollerns - yes! Revolutionary sacrifices under the banner of socialism? No, never!

Discussions concerning the topic that "our German workers" would never agree to suffer "such sacrifices" consist in simultaneously flattering the German workers and vilifying them. Unfortunately, the German workers are too patient. The Socialist Revolution will not exact from the German proletariat one hundredth of those sacrifices that were swallowed up in the war of Hohenzollern-Leipart-Wels.

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URBAHNS - Ultra-left Communist who broke with Trotsky to form a "Left-Communist" Organisation in Germany. This has now completely disappeared.

BRUNING - Germany Chancellor in 1931-32 who organised a semi-dictatorial regime which prepared the way for more dictatorial regimes and then the Nazis.

BRANDLER-THALHEIMER - Right wing Communist leaders in Germany who supported the ideas of Bukharin. Their tendency has completely disappeared internationally.

TARNOW - Right wing Social Democrat.

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