

**THE INVASION OF
CZECHOSLOVAKIA**

page 1

**MERGERS IN BRITAIN
A New Political Stage**

page 13

**RETREAT FROM
SOCIALISM**

page 5

Tet Offensive

page 11

Against Reformism

page 4

Viewpoints

page 19

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THE MARXIST

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EDITORIAL

Vol 1 Number 8

THE INVASION OF Czechoslovakia has been condemned both by the imperialist states and by the revisionist Communist Parties of Western Europe.

We believe that all Marxist-Leninists must also condemn it for different reasons.

It was not an error of judgment, as described by the revisionist Parties, but a direct consequence of revisionist policies pursued by the Soviet bloc, and by the Soviet Union in particular.

The primary contradiction between members of this bloc stems from the policy of economic interdependence or, as it is sometimes called, the international division of labour.

Whatever the original intention may have been Comecon is, in fact, now operating on this basis. In these circumstances it is inevitable that the strongest economic unit will dominate the rest.

There is widespread feeling in the countries of Eastern Europe that the terms of trade are in many cases weighted in favour of the Soviet Union, and that it is practising a form of neo-colonialism in its relations with them.

The economic integration which has taken place as a result of Comecon policy means that the defection of any member would create economic difficulties for those remaining, who would have to restructure some aspects of their economies.

The defection of a country such as Czechoslovakia would have greater repercussions than that of, for example, Rumania, which is not so developed industrially. In addition, the economic difficulties created for the remaining members would increase the pressures tending to further disintegration.

The Warsaw Pact

The withdrawal of Czechoslovakia from Russia's economic orbit would give her greater independence in political and economic affairs, with withdrawal from the Warsaw Pact a clear possibility at the appropriate time. Owing to Czechoslovakia's geographic position, this would seriously alter the balance of forces in Europe in favour of NATO.

Johnson's statement, virtually admitting the existence of a tacit understanding between the Soviet Union and the US on spheres of influence, is fully

understandable when one considers that the ruling groups in both countries need, for the time being, to preserve the status quo. This recognises that any attempt by either to effect a change by military means could lead to the downfall of both.

It is also important to remember that military pacts, such as the Warsaw Pact and NATO, have the dual function of protecting the interests of the member states against outsiders, and of maintaining the status quo within each member state.

Novotny and Dubcek

There is no doubt that the Novotny faction had been completely discredited. Over a period of time the deteriorating economy led to lower living standards.

Owing to the complete lack of ideological struggle against capitalist ideas and practices, the political life of the Party declined. The Party functionaries became increasingly isolated from the workers, with corruption, jobs for the boys, and degeneration of the Party becoming widespread as a result.

Books, bourgeois in content, were on sale in the shops but the works of Mao were unobtainable.

Holidays and visits were allowed to capitalist countries, but not to Albania.

The Novotny faction, like their counterparts in the Soviet Union, denied the existence of class struggle in Socialist society. Therefore their solution was to suppress all manifestations of class struggle, wherever they arose. The inevitable result was that the forces of reaction were strengthened and the ground prepared for the removal of the Novotny faction.

Dubcek came to power with the support of the most reactionary elements because his proposals for a form of bourgeois democracy would, they hoped, create favourable conditions for further bourgeois development. His proposals to extend the use of the profit motive, virtually to abolish censorship, and to remodel the Party on lines similar to that of Yugoslavia are examples of what he wanted to do.

The promise of shorter working hours, increased wages, and more say in the running of factories

through Workers' Councils, again on the Yugoslav model, gained him support, however mistaken, from the working class.

In fact, the Dubcek faction is the effective spokesman for those bourgeois elements who see their interests advanced by a complete break from Soviet tutelage, followed by increased trade with and capital investment from, the West.

In carrying through this policy the position of the rising bourgeois class would have been improved at the expense of the workers. The Czech workers can be relied on to fight to maintain the positive gains established since 1948. Therefore, Dubcek's rise to power will not reduce class conflict but will create conditions for its intensification and for a new proletarian revolution.

The refusal of the Dubcek revisionists to call for resistance to the occupation forces appears to have temporarily disorientated the Czech working class, but the presence of these forces will change only the form of struggle, not its eventual outcome.

The invasion was a fascist act born of the fear that the Soviet bloc was in danger of disintegration. By its nature it will bring about the very thing it was designed to prevent.

Many comrades throughout the world who were confused about the changed character of the Soviet Union and the Eastern European countries since the death of Stalin, have now been jolted into reality. Events are demonstrating the correctness of the criticisms levelled at the CPSU by the Chinese Communist Party.

The armed intervention in Czechoslovakia was the culmination of developments which are demonstrating, in practice as well as theory, the similarity of Khrushchev's 'State of the Whole People' and Mussolini's 'Corporate State'.

This has opened the eyes of many comrades who have, in the past, regarded the difference between the CPC and the CPSU as a controversy about which was the best road to Socialism.

The revisionist clique in the Soviet Union will find it increasingly necessary to employ fascist methods in order to maintain their rule, not only over their own people but over other peoples in the Soviet bloc. In their turn the revisionist leaders of the other countries, always in fear of an uprising, will be increasingly forced to turn to 'Big Brother' for assistance.

The process of disintegration within the revisionist camp will eventually become irreversible. Already the hope of establishing a united revisionist front against Albania and China has been dashed.

The Great Proletarian Cultural Revolution

Some of those who scoffed at the Cultural Revolution in China, and denied the existence of class struggle under the dictatorship of the proletariat will

now be revising their opinions. Mao's discovery that new exploiting classes will arise, even under conditions of socialism, unless steps are taken to prevent them, is a tremendous development of Marxism. This, coupled with his method of correctly resolving this contradiction by means of mass democracy under centralised guidance, and with the working class playing the leading role, is the greatest contribution to Marxism of this era.

His conclusion, that not one but many Cultural Revolutions will be necessary before socialism is safely established, should give us a real awareness of the continued strength of bourgeois ideology, even many years after the actual conquest of power. The importance of this development of Marxism cannot be overestimated, and it points the way forward for all the best elements in those states where revisionists are temporarily in control.

IN BRITAIN

Worsening conditions, particularly among industrial workers, are giving rise to discontent which cannot find expression or satisfaction through the established processes of negotiation, or by appealing to elected representatives in the trade unions or Parliament. This discontent will inevitably break through the shell of reformist ideas which are at the moment holding it back, and express itself in more violent ways.

The ruling class are fully aware of the situation and are already taking the necessary precautions to safeguard their class interests.

The greater mobility of the police force, and the close communication network which has been established, are of course necessary for the purpose of crime detection. They are more important, however, in forging an efficient class weapon for dealing with dissidents.

The demonstrations which have taken place in central London during the past couple of years have provided the authorities with 'unpaid extras' for the purpose of training a new generation of policemen in methods of crowd control. Our contempt for these representatives of capitalist authority should not blind us to their undoubted efficiency. Can it be said that we have used these occasions to improve our knowledge and skill in this field?

The 'Molotov Cocktail' scare may be an indication that the ruling class are preparing for real struggles and are using this as a method of preparing public opinion in readiness for a ban on demonstrations. A leading article in *The Times* on Thursday, Sept. 5th, under the heading of 'No Right to Riot', may well be the opening shots in this campaign. It reminds readers that under English law the right of assembly is not unrestricted and suggests that it is reasonable to consider banning some demonstrations. It would appear that some

of our rulers are getting worried. We will do well to remember Lenin's dictum that it is not sufficient to frighten the capitalist class; it is necessary to overthrow it.

The Trades Union Congress

The deliberations of this moribund body in its centenary year bore little relation to the real needs of the working class.

It demonstrated that the gap between the trade union leaders and the membership is almost as great as the one which exists between the Government and the people.

The show of opposition to government control of wages was necessary and inevitable in view of widespread feeling against it, but the fact that a majority could be obtained for 'do it yourself' wage control by the TUC is something that the membership find hard to believe.

It is also highly unlikely that any of the delegates who supported a vote of confidence in the Labour Government would fancy their chances of getting it endorsed at a factory meeting.

When George Woodcock said that he did not want to get into a fight with the Government, he was speaking for the union hierarchy but not for a growing section of the membership who realise that it must come sooner or later.

The last two or three years has seen a breakdown of the moral authority which some of these trade union leaders still have over their members. All power must be vested in shop floor decisions of the membership.

Will Paynter urged that greater power be given to the General Council in order to influence national policy and policies within various sectors of the economy.

At one time, the Communist Party advocated giving the General Council more authority in order to provide the movement with a unified fighting leadership. Now it advocates giving it more power in order to go with George Woodcock along his 'corridors of power' and to win the struggle for socialism by influencing the people at the top by logical argument. Even poor George is beginning to realise that the top people do not want to be bothered with him any more. Any shop steward could tell him what happens to working class representatives who forget the source of their strength.

Engineering Wage Claim

The lack of seriousness with which the unions regard the question of equal pay, or the rate for the job, can be seen in the claim put forward by the unions. They mention equal pay but at the same time ask for an increase of thirty shillings per week, spread over a period of three years, with proportionate increases for semi-skilled, unskilled, and

women. The employers have offered twelve shillings a week in two stages of six shillings per year, with proportionate increases for the other grades.

The call for a national stoppage is welcome, but there is a feeling at workshop level that some of the leaders are 'Reluctant Heroes' who are hoping, like Micawber, for 'Something to turn up'.

There is unlikely to be bounding enthusiasm for a struggle involving so small an amount. Indeed, there is a suspicion that the real point at issue is not the amount of the wage settlement, but the retention of craft traditions.

There are few signs that the official trade union movement will produce a leadership in the near future, capable of, and willing to wage even an economic struggle of any consequence.

The Donovan Report

This Report tacitly accepts this position when it directs most of its attention to the problem (for them) of limiting increases which can be obtained at factory level. For instance, it says: 'Over the last thirty years there has been a decline in the extent to which industry-wide agreements determine actual pay. . . Today the consequences of bargaining within the factory can be more momentous than those of industry-wide agreements.' It is from the factory floor that comes the real challenge to the Incomes Policy, hence the Report's pre-occupation with 'nobbling' the shop stewards.

This will remain the focal point of struggle, and it is here that Marxists should direct their attention.

The British working class has a wealth of experience which it needs help in summarising in order to arrive at the correct conclusions. If we are not capable of doing that, we should refrain from calling ourselves Marxists.

WITHOUT COMMENT

SOME CZECH STUDENTS clashed violently with Vietnamese students in the capital of Czechoslovakia. The reason: the Vietnamese were demonstrating in front of the US Embassy and had torn down the American flag. The counter-revolutionary Czech students were unable to prevent the Vietnamese students from throwing Johnson's starry banner into the nearby river Moldau. But after the Vietnamese students had left the Czechs themselves restored an American flag on the front of the Embassy of the US and apologised to them, for which they were warmly thanked.

(From *L'Humanité Nouvelle*, organ of the Marxist-Leninist Communist Party of France, reporting an incident which took place before the invasion.)

AGAINST REFORMISM

By Jim Kean

Marxism judges 'interests' by the class antagonisms and the class struggles which manifest themselves in millions of facts of everyday life. V I Lenin. *The Collapse of the Second International.*

IT IS QUITE CLEAR that the current attacks on workers' living standards are creating widespread disillusionment about the Labour Government, the Labour Party and most trade union leaders. It must also be recognised that the feelings of workers' opposition are based in the main against the effects of reformist policies and are not a conscious rejection of reformist ideology. The tactical struggle to expose and isolate the reformist leaders must, at the same time, advance the strategic aim of destroying reformist ideology and winning the advanced sections of the industrial workers for revolutionary Marxism.

The classic role of the reformists in enacting concessions calculated as sufficient to head off direct class clashes, is now in reverse. The facade of the 'progressive' role now masks the containment of workers' opposition, through the control of workers' organisations, against the direct attacks to preserve the capitalist system.

Previous articles in this journal have propounded the view that a stage in the struggle against reformism is the separation of the Labour Party from the trade unions, the link connecting the two being the payment of the political levy. An examination of the experiences gained where a campaign for severance through non-payment has been waged has some illuminating aspects. It is of some significance that in the course of this struggle the revisionists and trotskysts emerge as the open supporters of capitalism by their active defence of social democracy. Reformists, revisionists and trotskysts have the same basic argument. They say that the Labour Party with, of course, all its faults is the party of the British working class; that all attempts to weaken it deliver the working class unarmed and helpless into the hands of the class enemy; that the true struggle lies in overcoming the right-wing and placing the left-wing in the position of leadership. The revisionist policy, 'unity of the left' is proved in the course of struggle to be 'unity with the right' against any manifestation of revolutionary activity. The revisionist attempt to preserve the 'status quo' in the working class movement when it is under attack exposes its betrayal of workers interests.

Militant class conscious workers who see the need for an organisational break with the Labour Party sometimes become dismayed by the apparent

relish displayed by the capitalist press when reporting disaffiliations. Such confusion, which has its base in a genuine desire not to assist the class enemy in any direction, deserves a measure of attention to clear it. The objective of the capitalist class is to preserve the capitalist system and it must accordingly devise tactics to deal with the working class who constitute the main threat to its existence. Two methods are available; 1 Direct repression of revolutionary trends which threaten it; 2 channeling off opposition through 'buying off' sections of the working class by means of concessions, and, supplementary to this, gaining the leadership of workers through the ideology of reformism which opposes revolution. Social democracy is the vehicle which conveys capitalist ideology into the working class and leads it along the road of continuing capitalism. Both methods are used by the capitalist in situations where the system is felt to be seriously threatened. The confusion which exists amongst militants is around the deception of the Labour Party which has the appearance of a working class party but which in actuality is a capitalist party. Statements by open capitalist politicians and propaganda organs applauding disaffiliations, which are used by revisionists and suchlike as props for supporting their 'unity' line, are merely the stage settings to continue the illusory perspective of the Labour Party as a working class party.

The shifts and changes within the leadership of the Labour Party, the Brown issue, the Gunter issue, the defeat of Greenwood by Nicholas for the general secretaryship, should not be interpreted as reflecting trends of struggle within the working class itself. On the contrary, the factionising amongst the Labour Party leadership leaving aside personal opportunism which is inherent to its ideological basis, is a struggle between representatives of the middle classes around the best way to utilise the working class in support of middle class interests.

The concrete conditions in Britain today provide us the means of utilising the practical experiences of workers to sever their organisational connection with the Labour Party. In the course of struggle to achieve this objective real headway could be made in destroying the ideological hold of reformism in the working class and supplanting it with revolution.

(Continued on inside of back cover)

Eastern Europe - Retreat from Socialism

Part Two : 'Socialist Profit' and Private Enterprise

by Philip Hardie

IN HIS REPORT to the Central Committee of the CPSU on September 27, 1965, Kosygin said that increasing autonomy must be given not only to individual enterprises but to individual ministries supervising them; that the index of profit must be introduced generally in industry to take the place of the old administrative controls; and that funds must be created from profits for 'the payment of bonuses for good work in the course of the year and for the payment of annual bonuses at the end of the year'. How far has this process been carried to date?

In the autumn of 1966 a comprehensive review was carried out of the wholesale prices of heavy industrial products. This was to make it possible to eliminate concealed subsidisation of production by means of the charging of operational expenses against 'production funds'. These funds, the working capital of the enterprises, would in future have to be replenished from the proceeds of sales, as strict accountancy would demand, and only after that had been done would a profit margin begin to emerge. The normal margin of profit was fixed at 15 per cent of the production fund. Thus a uniform basis was created for the introduction of the new system in a wide variety of industries and in plants of different size.

By the middle of 1967, according to Soviet official sources, more than a quarter of the entire industrial output of the USSR was coming from enterprises which had 'switched over to the new system of planning and economic incentives'. In the fifteen months since the adoption of the policy some 3,600 factories, mills, mines, and railways, all of them fairly large, had been reorganised on profit lines.

In some cases whole industries had been switched (for instance, boiler-making, diesels and tractors, instruments, textiles), in others large individual units (iron and steel mills, factories mass-producing consumer goods and sections of the farm machinery

industry) had adopted the new system of planning.

A year later, in June 1968, *Pravda* stated that the number of enterprises operating under the new system had risen to 13,000. By this time all light industry was included, food processing, many motor transport enterprises, railway lines, other transport and catering establishments and part of the building materials industry. Altogether the reorganised units account for about half of the country's industrial output and more than 60 per cent of the total profits of industry. To show the importance being attached to changing over to material incentives compared with other factors, the article added:

'The personnel of enterprises that have gone over to new systems are now the real vanguard of our industry.'

The target date for the final extension of the new system to the whole of Soviet industry was the end of this year. It remains to be seen whether this too will be met. Meanwhile a further stage in the reform has opened during which tens of thousands of small and medium-sized enterprises will go over from centralised control to something much nearer private enterprise. The emphasis throughout will be on becoming self-supporting and the material incentives have got to be such as to produce this result. A year ago we were told by *Soviet News*, 'The promotion of material incentives and the enhancement of the share of bonuses in wages are important parts of the reform.' Now these ideas are having to be put into effect.

This is not just a matter for students of economics. It involves a change in social attitude as well as organisation. The old principle that public funds must not be used for providing inducements, or as a means of offering bribes, has for a long time been compromised in practice and is now rejected in theory. 'Public funds', said the Chairman of the State Planning Commission early last year, 'should serve to stimulate production. Those enterprises

'Profits are not the chief aim of production, but a means of meeting the social and personal requirements of the working people.' Nikolai Baibakov, Chairman of the State Planning Committee of the USSR, quoted in *Soviet News*, London, June 20, 1967.

and organisations which use the social, cultural and housing funds to encourage the best workers are acting in the right spirit.'

Such an operation, carried out administratively in an atmosphere of growing competition, cannot fail to generate new political attitudes. The old maxim was that what was in the interests of the community as a whole must be accepted by the individual concern and the individual worker as being in their true interests as well. This has now been stood on its head: 'The main guiding principle underlying the reform is: **What is good for every worker and for the whole collective of an enterprise must be good for the whole of society and for the state.**' *Soviet News*, London, June 20, 1967.

It is tempting to assume that the business strategy of autonomous firms in a system based on public ownership would when it came to the point, be subordinate to a clearly-defined plan, the ambitions of even the most powerful managements reined in by an overall policy. 'There can be no question of wilful independence of enterprises which are all organs of the planned economy', wrote Professor Joan Robinson in her essay in **Socialism, Capitalism and Economic Growth** (Presentation to Maurice Dobb, 1967). Unfortunately it is just at this point that the system may be hoist with its own petard. Once you push loyalty to socialist ideals into the wings and bring material incentives to the centre of the stage a whole series of social sanctions begins to loosen. A management bent on empire building is not likely to be deterred for long from imposing its will on an industry by qualms about keeping within the bounds of the plan. Ideology is not in the picture any more, but the pursuit of power and success is. Why should the best brains of a new generation, unacquainted with the political struggle of other times and places, show reverence for planners and plans which curb them? If the rationale of economic activity has to be looked for in the activity itself, not social ideals that are independent of it, success becomes merely a stepping-stone to further success. In the ensuing battle of wills and ambitions, what starts as a tug-of-war between enterprises (for skilled labour, raw materials, retail outlets) develops into first infringements, then distortions, and finally partial abandonment, of the plan.

In principle the architects of the new economy in the Soviet Union are not compromising. They insist that the profit motive must have indefinite authority in deciding the scale, scope and structure of producing and marketing enterprises. In this sense the Russians have led and the Czechs, Hungarians, East Germans and others merely followed. This does not mean that in all respects the Soviet Union will remain in front. The smaller and more tightly organised countries may be forced to come to grips sooner — with, for example, the resulting unemployment

problem: in fact, unemployment due to the closing down of less efficient enterprises is already a serious matter in Czechoslovakia, and schemes combining unemployment benefit with retraining have been on the stocks for several years. The much bigger problem of redundancies that will be brought about by rationalisation **within** businesses, once the pressure begins to mount for reducing costs and maximising profits, will be felt more gradually, and perhaps will be felt most in the Soviet Union and Poland which suffer more from under-utilisation of the employed labour force than from labour shortages.

Another corollary of the decision to make things pay their way in future will be increased pressure to reduce free or subsidised consumption in favour of fully paid-for consumption. Among services formerly supplied at less than cost which will sooner or later have to go up in price are housing, canteen meals and transport. One by one these problems are coming to the surface in Poland, Czechoslovakia and Hungary, as well as in some cases the threat of actual wage reductions in the less efficient enterprises. There is sufficient experience, in other words, to show the instability of a compromise between centrally-planned economy and market economy.

Agriculture

The parting of the ways in the socialist camp since 1956, between those prepared to take the road held out by the 20th Congress of the CPSU and those preferring to continue on the Leninist path, has led to the emergence into the open of two separate ideologies. In the process it has also produced some strange incongruities. One is that both the line of the Soviet camp, which is out of sympathy with revolutionary politics, and the line of the Chinese-Vietnamese camp, which is based on them, are described as Marxist-Leninist. Another is that some East European countries which have not got socialist agriculture are foremost in denouncing 'petty-bourgeois' peasant influence in China, where both industry and agriculture are socialist. The allegation that China has departed from true socialist principles in collectivising her economy becomes more and more strident and is accompanied by less and less evidence. This is not surprising, because the evidence — and there is plenty available — points overwhelmingly the other way.

Agriculture is of key importance here as it is in agriculture that most people are employed. This is true not only of China and other non-European socialist countries but of Poland, Rumania, Hungary, Bulgaria and probably also the Soviet Union. The socialisation of agriculture in China was completed ten years ago (though there have been further developments since then in the socialist **organisation** of agriculture, chiefly the communes) and today the

emphasis is on reducing private plots used for peasant sidelines from their present proportion of five to seven per cent of the collective land to something considerably less. In the Soviet Union a contrary tendency is at work. On January 4, the trade union newspaper *Trud* called for a new attitude towards private enterprise in food-raising, arguing that the government had been slow in opening special purchasing stations to buy the tomatoes, apples, carrots and other fruits and vegetables which workers grew in their personal gardens but allowed to go waste when they were not assured of a lucrative sale for them.

But the most astonishing thing is that East European leaders who over the last ten years have deliberately moved away from a policy of socialist farming should publicly chastise China for diverging from accepted Marxist-Leninist policies. It is true that even before 1956 only about a quarter of the cultivated land in Poland, for example, was in collective or state farms, but today the socialised sector there is down to half that. Private farms account for 87 per cent of the total agricultural area. It would not be accurate to describe the stumbling retreat from collectivisation in Poland as a deliberate policy of restoring private farming; at first it was grudging, taking the form of concessions in specific cases. But within a year of Gomulka's coming to power in the aftermath of the Soviet Twentieth Congress the number of collective farms in Poland had dropped from 10,500 to 1,800. The corollary of the right of private ownership in agriculture is the incentive of a profitable market for the surplus produce. The new Agrarian Policy introduced in 1957, in addition to drastically reducing compulsory deliveries (and taxes), doubled the prices paid by the state for farm produce. Not only the cash inducement but simultaneous promises of increased supplies of scarce consumer goods signalled a major concession to the motive of self-interest in the context of a retreat from socialisation.

Reliance or Profit Motive

In Poland the planning of agriculture is now accomplished by indirect means. The contract system (*kontraktacja*) under which the state purchases agricultural produce enables prices and fringe benefits to be varied or adjusted sufficiently to induce the peasants to grow the necessary greater amount of grain in place of potatoes, beef instead of pork and so on. Thus the profit motive, pure and simple, is relied upon to induce the peasants to conform to the plan, not in a free market in which producers deal directly with consumers but under a system in which the state becomes a sort of gigantic middleman. This, and not socialised farming, is predominantly what is now meant by "the socialist transformation of the countryside".

In other countries, such as Hungary and Bulgaria, where collectivisation is still in principle, and largely in practice, the basis of the agricultural system, the concession to the attractions of private enterprise takes a different form. The peasant 'household plots', once regarded as survivals of the past, are no longer subject to onerous restrictions but are relied upon as an important source of food supplies. In Hungary they comprise less than ten per cent of the arable land but supply half the population with their milk, poultry and eggs and a third with their fruit and vegetables. 'Private plots are not a temporary solution but an organic and permanent feature of collective farming', wrote *Nepszabadsag* (Budapest) on November 15, 1963. In addition to assuring the peasants that their household plots will not be taken away, the government gives them every incentive to produce as much food on them as possible, grants liberal credits for the purchase of livestock, supplies cheap fodder and authorises the grazing of privately-owned animals on collective land. Bulgaria has taken the further step of making the produce of private plots immune from taxation or any form of compulsory sale, and introduced a decree declaring the private ownership of this land permanent and hereditary. Public land in need of reclamation can be transferred to a private owner who is willing to cultivate it and it then becomes permanent and hereditary private property in the same way as the traditional family plots.

Neither Bulgaria, which has gone some way towards rehabilitating private enterprise in the countryside, nor Czechoslovakia, which is resisting this but granting a high degree of autonomy to its collective farms, depend to anything like the same extent as the Soviet Union on the output of private plots. Apart from anything else, these produce nearly half the country's meat and milk and three-quarters of its eggs. In fact, with the exception of Poland and Hungary, Russia gets a bigger proportion of her food from non-socialised land than any other country. The proportion was estimated not long ago at over 30 per cent of the total, from less than 3 per cent of the cultivated land. If staple crops, like grain and oilseeds, are excluded and only the immediately consumable goods counted, this is probably still true today.

A proposal ventilated in *Komsomolskaya Pravda* in 1965, widely interpreted as a move to return collective farm land to private ownership, really amounts to a scheme to lease sections of the collective land to partnerships of several families, who would farm them for profit. So long as the state remains the principal buyer and fixes most of the prices such a system would work in much the same way as in Poland. At present it is debatable whether the move away from collectivisation in Soviet agri-

culture will take the form of a division of big collectives into 'links' owned and run by half-a-dozen families (as advocated by the leading agronomist V. Zhulin), or a gradual enlargement and upgrading of private plots. In fact, to narrow the choice down in this way is to be guilty of over-simplifying the issue, which is a class one.

There are not landlords in the Soviet countryside but there are big officials and a retinue of functionaries who form a stratum above the rest of the collective farm and draw high salaries for fulfilling the function of management. Sometimes the facts are given a wider currency by complaints about the new mandarinates which get published in the local press. Thus, on one collective farm in Azerbaijan there was considerable indignation because the 1,076-rouble-a-month chairman, the 756-rouble-a-month chief accountant and the chief agronomist and animal care specialist, both on 391 roubles, were lording it over a farm staff drawing an average less than 38 roubles. Another collective which had provided employment for a 'chief agronomist' for two years had been incensed at his insistence on living in the town and 'dropping in like a guest for a few hours at the farm every day', while his colleague, the agronomist attached to the second brigade, caused more trouble by repeated absenteeism during the sugar-beet season ('a wedding one day, a christening party another'), failing to turn up in the field, according to the report, for four or five days, with the result that severe losses were incurred.

Lack of Socialist Teamwork

Absenteeism and even remoteness could well be the exception rather than the rule, but the steady growth of the managerial strata is found everywhere. Even where the officials are conscientious and hard-working, the main effect on rank-and-file farmers is to reduce their self-reliance and morale. At the 'Bolshevik' Collective Farm in the Minsk Oblast in Belorussia one in four of the personnel is administrative and at a neighbouring collective farm the administrative element is twelve and a half per cent. In the latter case, it was reported last year no less than 42.8 per cent of the total payments made to members of the farm went to administrative employees, i.e. to one-eighth of the total personnel. Even in Kirghizia a figure of 17 per cent was reported as the proportion of one farm's payments going out in administrative expenses.

Nothing could be further from the spirit of socialist team-work in farming the land and it is not surprising that the effects have begun to show themselves in desultory and ca'canny participation by the peasants in collective labour. Some of the figures being quoted about agriculture under the new system are as incriminating as the statistics for industry under the old system. In a number of

areas, particularly the western oblasts of Belorussia and the Ukraine, the average number of days worked by peasants in the collective has been given as 160 a year, and in one case only 138. In Azerbaijan 9.3 per cent of the able-bodied collective farmers appeared a year ago not to be working at all.

Zhulin's solution, we are told, has already been tried out in the Kazakhstan 'virgin lands' area and there has been speculation among outside observers 'that a scheme might well be devised in which the farm worker could have the choice of working for a wage in one of the large state farms or becoming a partner in one of the small collectives. As one of a small partnership the Soviet farmer might feel that at last he has gained the ownership of the land for which the Russian peasantry struggled for centuries.' Dr Leslie Symons; **'Agricultural Production and the Changing Roles of State and Collective Farms in the USSR.** Pacific Viewpoint, May 1965.

Thus half a century after the Bolshevik Revolution schemes are being studied by Soviet technical and managerial circles for, in effect, setting into reverse gear the process of collectivisation which began in the 'twenties.

There are grounds for thinking that the Russian peasants still have not accepted collectivisation even to the extent that those of some other East European countries have done after little more than twenty years. This does not mean that there has been any great progress in these countries towards the development of a socialist attitude to the task of cultivating the soil. It only suggests that — in Rumania for example — overall economic requirements have been more successfully married to material incentives. As in the Soviet Union, where the Bolsheviks never struck deep roots among the peasants, the 'socialisation' of the countryside in the other countries of Eastern Europe was introduced administratively from above. The Rumanians, always the least doctrinaire, tend to explain what they have done on a pragmatic basis: collectivisation and co-operatives are **techniques** for gearing agriculture to the requirements of a planned economy. For a long time the approach to the socialisation of agriculture in the Soviet Union and most of Eastern Europe has, in fact, been managerial and divorced from politics.

The maxim 'Farm the land for the sake of the revolution', now introduced in China as a further stage in the sequence that led from Land Reform through co-operatives to the communes, is just another example of Chinese infantilism in the eyes of the East European professionals. The deduction the Chinese go on to draw from it makes even less sense from their standpoint:

'The peasants say that they should not only pay attention to the yields, for if China changed its political colour there would be no point in achieving high yields of 6 or even 7.5 tons per

hectare.' 'Study of Chairman Mao's Works Transforms Mental Outlook of Peasants in China.' Hsinhua, January 31, 1967.

Non-Socialist versus Socialist Incentives

Making money the arbiter means putting money in command. For Marxists this must be an admission of defeat, since money can never be a unifying factor but causes division and antagonism from the moment it ceases, in practice if not in theory, to be subordinate to a socialist incentive. It does not help to argue that the custodians of the common good are those who have oversight of the plans, into which everything has to fit. The overseers may be convinced they can make a socialist plan, but they certainly cannot make a socialist man. If they fall back on the device of trying to cure the initial shortcomings of socialist society by methods which are themselves an expression of those shortcomings — for example, tackling the problem of the narrow and self-centred attitude of many managements by bringing in an incentive system that will make everybody more self-centred — they will not change people's outlook and make it more socialist but confirm it in the old mould.

The dominant impression made on the visitor to almost any part of Eastern Europe today is of people reaching backward: reaching not for the more primitive technology of an earlier period but for the old means of making their way up the social scale. They are reaching for the means to class differentiation.

In the Marxist sense classes still exist in Eastern Europe, although there are no big capitalists or landlords, only private owner-farmers and producers. But in the non-Marxist sense in which the word is used by sociologists in the West, meaning distinct social strata based on different levels of income, education and occupation, classes are no less in evidence in Eastern Europe than here.

In this respect Eastern Europe not only has not got socialism but shows fewer signs every year of wanting it. The ambition 'to move up in the world' pervades all walks of life, and in fact the tone is set by Communist Party members themselves, who complain that existing incentives are insufficient to produce the needed careers pyramid.

The new thinking in Eastern Europe is that the seizure and consolidation of power completes the political revolution, and after that the successful transformation of the economy depends on good administrative judgement. Any notion that it demands a continuation of conscious class struggle is Stalinist dogma, long ago thrown overboard by the *avant-garde*. It is organisation and machinery that have got to be changed, not so much political attitudes. For if the economic base is sound, will not the ideological superstructure gradually come into line,

as Marxists always foretold?

It will not.

The superstructure constantly reacts on the economic base. It is because the superstructure has not been remoulded sufficiently to serve socialist objectives that the rot has set in, and non-Marxist policies have begun to take command of the development of the economic base.

It is time there was a searching examination of what is meant by socialism. It is clearly not a classless society, because there are still classes under socialism and they may last for a very long time, possibly a century or more. To say that it is a society moving towards the elimination of classes would be to beg the question. A system must be judged by what it is doing, not by what it claims it will do. It could be argued that socialism is a state of society in which the means of production have in the main passed out of private ownership. But this would imply that it did not so much matter how, or in whose interests, production was controlled. It could mean trying to run the railways, for example, at a profit, in the same way as when they are nationalised under capitalism, so that the interests of the railway users as well as railway workers are subordinate to those of a controlling hierarchy, not capitalists but applying capitalist principles. Is socialism a system under which all important economic and social decisions must be taken in the light of the interests of the workers as a whole? Or does it merely give a multitude of individual collectives the opportunity to compete for influence in the final decision?

Blurring Class Issues

In 1959 Khrushchev said that the salient characteristic of the socialist system was its high and consistent rate of economic growth. The claim is not made with the same assurance today; but if this were accepted as the distinguishing feature of socialism might it not lead to a criterion for decision-making that would sometimes conflict with the aim of overall collectivisation of the economy? There seems no intrinsic reason why the growth rate of a socialist economy should always be high and consistent, and to blur the real issue, the **remoulding of society**, by focussing attention on growth rates is once more to part company with Marxism.

What distinguishes socialism from capitalism is first and foremost its class character. Presenting it as essentially a high growth-rate system evades the class issue as effectively as vacuous statements like Mr Harold Wilson's 'Socialism is nothing if not a crusade.'

The division within world communism in the last ten years, first manifested as a division between the Soviet Union and China over the attitude to be adopted towards imperialism, is at bottom a difference about the nature of socialism itself. This

does not mean that those who reject the course being followed by the Soviet Union and other countries in Eastern Europe embrace everything that has been done in China. The conflict is not ultimately, or even mainly, between governments and parties in different countries. It is within the parties themselves, and in all countries, China not excluded. In the course of their great push in ideological remoulding which has become known as the proletarian cultural revolution the Chinese have never concealed the errors and bad practices that resulted from capitalist ideas surviving within the Chinese Communist Party.

'In socialist countries where the proletariat has won political power, the question of political power remains the fundamental question. This is because the overthrown exploiting classes and their agents and the handful of party people in authority taking the capitalist road try constantly to wrest political power back from the proletariat and turn the dictatorship of the proletariat into the dictatorship of the bourgeoisie in order to regain their lost paradise and promote the interests of their own privileged strata. We have living proof in the counter-revolutionary revisionist line of the former Peking Municipal Party Committee and the former leadership of the Propaganda Department of the Party Central Committee and the Ministry of Culture.

'Therefore, after seizing political power, the revolutionary people, to safeguard the fruits of revolution and make the transition to communism, must continue the struggle between the two roads, socialist and capitalist, and between the two classes, the proletariat and the bourgeoisie. They must carry the socialist revolution through to the end. If we concentrate only on economism, material incentives and welfare, there is the possibility that we might lose everything and once again live worse than the beasts.'

'Economism is Corrosive to the Workers Movement'. Red Guard Hung Chan-pien in *People's Daily*, January 23, 1967.

Economism has been one of the chief targets under attack in the Chinese cultural revolution. Higher production figures won at the cost of dictatorial or arbitrary direction of workers are considered no gain to socialism. On the other hand, the bribing of workers with promise of material rewards, or the inculcation of a rat-race mentality by means of wage differentials, is just as inimical to socialist objectives. The idea that greater affluence will bring greater morale for building socialism is self-deception, the Chinese say, because it fails to take account of the survival, or revival, of bourgeois attitudes. Material incentives can never

produce the impetus needed to transform the habits and attitudes of capitalist society into socialist habits and attitudes. This requires politics, and the ability to communicate political understanding and involve the majority of the people in political activity. For socialism, on this view, is first and foremost a question of people's attitude of mind, of the subordination of the individual ego to the collective endeavour.

A spectre is haunting Eastern Europe today — the spectre of socialism emerging, on this model, in China.

Those who look forward to an indefinite period of peaceful co-existence between socialism and imperialism, with political conflicts held at bay, see no prospect of substantial change in the world except as a result of much faster economic growth by one side, which would lead the technical élite of lagging countries gradually to accept the idea of a change of system. The embryo managerial classes of the former colonial or semi-colonial and feudal areas must see the Soviet camp winning the economic race, it is argued, and then they will opt for the Soviet system. For capitalism and socialism are in economic competition, the outcome of which is decided by their respective growth rates.

This non-Marxist outlook not only puts economic growth above everything else but makes it the goal of political activity. It is economism in its ultimate form.

Money Incentives

Will not economism lead to increased production and therefore greater material well-being?

Reliance on the money motive tends to lead, under conditions of full or near-full employment, to a faster rise in money incomes than in average output. This means inflation, which will be as serious a problem under a system of public ownership as under capitalism, and in some ways more difficult to deal with, as the demand of those in less productive industries for a decent standard of living is harder to resist in a society claiming complete equality of opportunity. Conversely, those who already enjoy a reasonable standard have no particular reason to press ahead, apart from the opportunity of enjoying a still better standard in the future. It is doubtful whether more than a minority will rise to the bait of competition. Many people, particularly those interested in other things than their paid employment, will settle for a good deal less than maximum effort.

It would be foolish to deny that money incentives may cause some further expansion in the economy, but they will also bring a crop of economic problems hitherto associated with capitalism. On the other hand, even within the span of decades, a gradual release of the constructive potential of the

(Continued on inside of back cover)

The Tet Offensive

by Brian Pearson

This poem was written shortly after the Tet offensive as part of an evening of political drama called 'Festival of Fools' presented by the London Critics Group.

Geographically speaking, Vietnam is a small country,
The eastern portion of what was once French Indo-China.
It is a land of tumbled hills, both igneous and sedimentary,
Of forests and small coastal plains.
On its journey from the Himalayas to the South China sea
The Mekong river, gravid with silt,
Winds its anaconda coils across the countryside
Spreading the alluvium that has made this land
Into the rice bowl of South-East Asia.
So might a teacher instruct his pupils, as they sit,
Drowsy with heat, lost in closed corridors of their minds
Waiting for the bell to resurrect them.
But there is more that could be said.

For example, ethnologically speaking the inhabitants are predominantly Mongoloids
Who journeyed there millenia ago, the young sun
Gleaming redly on their bronzed weapons, bearing the rice plant
From whose marriage with the rich deltaic mud
Sprang the wealth of the little kingdoms of Tonkin and Annam.
They are a small people, yellow-skinned and often beautiful,
Their eyes possessing the epithelial fold that proclaims their Mongol ancestry.
Their language is monosyllabic, agglutinative and tonal
And they are given to anointing their food
With a fish sauce of overpowering aroma.
But more could be said of them. Indeed more must be said.

For century on century they worked the land, these peasants
Strangers to the sky, their eyes fixed on the unforgiving soil,
Their muscles knotted by unending toil, their bodies broken
On the recurrent treadmill of the years.
They lived and died unnoticed, without hope.

But the soil that nourished the rice also harboured other seeds
That ripened in due season — seeds of love and of hate —
Love of freedom and hatred for those who withheld it.
And down from the hills flowed a wind, rippling the ricefields
Murmuring in the eaves of bamboo huts, whispering in the ears
Of men and women so that they paused from labour and looked up
And saw the limitless horizons of the sky.
Flexing tired muscles, feeling their strength at last,
They rose like a gale in the forest, a storm among mountains,
A typhoon sweeping before it the shattered debris of a decaying order.
And at Dien Bien Phu they seized their birthright, and turned
And waited, unflinching, to await the onslaught
Of the ultimate enemy of freedom.

The United States, aware of the challenge,
As a spider, squatting at the centre of her web
Senses the slightest quiver of the prey
That disturbs her dark arachnid dreams,
Moved swiftly to engulf its victim.
Guns beat out a litany of death, the leprous flowers of napalm
Bloomed in a leafless land, stripped bare by the test-tube winter of defoliants.
And from bases in Thailand and on Guam, the bombers rose and circled,
Riding the stratospheric winds ten miles above the earth,
Graceful as albatrosses, slicing the sky
With the icy perfection of their vapour trails.
Through the unimaginable neural circuits of computer brains
Cold thoughts flickered, measuring human lives in nanoseconds,
As the war machine of history's richest nation
Crouched, tensed its adamantine muscles
And hurled itself upon the land of Vietnam.
Tensed, hurled itself and fell back, whimpering,

Broken on the ramparts of a people's will,
Broken by the raw courage of men and women, of
peasants
Clad in black pyjamas and sandals of motor tyre
treads,
Close to the earth as foxes, braver than lions.
Then, in the villages and the towns, the mountains
and the ricelands
They rose, sprung from dragons teeth,
And rolled like a wave across the country
To inundate the strongholds of the enemy.
And in Saigon, Hue, Ben Tre, Vinh Long, Dalat
and a hundred other towns,
From the Mekong delta to the Perfume River
The flag of the NLF, blue, red and gold,
Unfurled and flowered in the breeze of freedom.

Ten thousand miles away in their aseptic, air-con-
ditioned quarters,
The computers fattured, some faint mathematical
analogue
Of doubt troubling their crystalline brains.
Their masters had forgotten to commit to punched
card or magnetic tape
The information that, occasionally, human beings,
faced
With overwhelming odds, will quite irrationally
refuse
To lie down gracefully and die.
Perhaps they were not aware of it themselves.

When the Americans at last re-entered Hue, they
sighed thankfully,
Lit up cigarettes, posed for snapshots for the folks
back Stateside,
Brewed coffee, belched, urinated against walls,
And hoisted high the flag as a sign that virtue had
triumphed
Once again, as it always has to, or so they had learnt
at school.

To honour this symbol of democracy, Coca-Cola
and the American Way of Life, they raised their
rifles, nodded to God,
And fired a ceremonial salute.
Unfortunately, a stray bullet, winging its way in-
nocently
Towards the heavens, severed the rope holding up
the flag,
Which fluttered to the dust, thus robbing the cere-
mony
Of much of the dignity proper to such occasions.

Had the generals had eyes to see and had they
looked hard
At that moment, they could not have failed to see
All the dead of Vietnam, an army of shadows,

Faint as smoke in the sunlight, thronging the pock-
marked
Walls of the citadel.
And had they listened, behind the rumble of the
tanks,
The stridulation of the cicadas and the far-off whine
of jets,
They would have heard their laughter, faint at first
As the twittering of bats, but growing louder and
still louder
Until the earth shook and the sky rang like a gong
At the sound of their joy and mockery.

Therefore do not mourn the dead, for their
death was not in vain.
Neither weep for the living, for their victory is
certain.
But rather praise them, the living and the dead.
And one thing more, most important of all.
Learn from them.
And that will be sufficient epitaph.

LIES

Weapon of the Racialist

**Wipe out some of the enemy, some satisfaction;
wipe out more, more satisfaction; wipe out the
whole lot, complete satisfaction.**

THIS WELL-KNOWN quotation from Mao
Tse-tung has given strength to millions of revolu-
tionary fighters.

At the Vietnam rally in Trafalgar Square on July
21, a duplicated sheet, bearing the name of Paul
Pawlowski, of West Croydon, was being distributed.
It was headed by the words 'Chinese Race War' and
then this distorted version of the quotation:

'Wipe out some white men — some satisfac-
tion. Wipe out more white men — more satis-
faction. Wipe out all white men — complete
satisfaction.'

This is an attempt to stir up feeling against China
by means of a quite deliberate lie. The writer of
the leaflet, purporting to expose Chinese racialism,
is himself a racialist of the worst type. Entirely
without principle, he hopes that some of his readers
will be ignorant enough to accept his lies as truth.

The words of Chairman Mao were written in
1945, and it is worth pointing out that the 'enemy'
referred to was the Kuomintang, which was Chinese.
The use of the phrase 'white men' would have made
the sentence meaningless.

Lies have always been one of the main weapons
used against Marxist-Leninists. Truth cannot be
used, because truth is on our side.

Mergers in Britain

A New Economic and Political Stage

by David Hall

IT IS INHERENT in capitalism that firms have changing fortunes. Competition means struggle. The strong advance at the expense of the weak which leads to monopoly. But monopoly is never complete and the relative strength of firms is always changing.

The pattern of change is diverse. Sometimes fierce competition ruins weaker firms and they disappear. Sometimes they are absorbed in take-overs. Sometimes firms link together in mergers. With the changing nature of production processes and the general development of capitalism, the typical size of firms tends to become larger, representing greater accumulations of capital. Thus larger sums are at stake, with harsher consequences if competition is fought through to the end, bringing the destruction of capitals invested. Mergers rather than all-out conflict tend to become the means of resolving contradictions among firms.

All this underlines the re-grouping of businesses in Britain which has been proceeding with gathering speed. Within the last two or three years, changes have been so extensive that it is no exaggeration to talk of a new business structure emerging.

The changes in the concentration and orientation of capitalist interests are of great significance. What objectives are the capitalists seeking through this re-structuring? How are they working to achieve them? What conclusions follow for the working-class struggle?

This preliminary sketch looks at Marxist theory on monopoly; examines what has been taking place in Britain and expresses some views on its political implications.

Lenin's Imperialism

Lenin wrote *Imperialism, the Highest Stage of Capitalism* in 1916. In the half-century since then developments on a few secondary aspects have not gone quite as he foresaw but the correctness of his main ideas has been amply vindicated. The reader is urged to look at the book for himself, since no summary can do justice to what was written so concisely. The main points we wish to recall are in

the following sections of the book:

Concentration of Production and Monopolies.

'The enormous growth of industry and the remarkably rapid process of concentration of production in ever-larger enterprises are one of the most characteristic features of capitalism.' Lenin explains the reasons for this, and the increased power of exploitation accruing to the dominant capitalist groups controlling ever-larger enterprises.

The Banks and their New Role.

'The principal and original function of banks is to serve as middlemen in the making of payments. In doing so they transform inactive money capital into active, that is, into capital yielding a profit; they collect all kinds of money revenues and place them at the disposal of the capitalist class.

'As banking develops and becomes concentrated in a small number of establishments, the banks grow from humble middlemen into powerful monopolies having at their command almost the whole of the money capital of all the capitalists and small businessmen and also the larger part of the means of production and of the sources of raw materials. . . This transformation of numerous humble middlemen into a handful of monopolies represents one of the fundamental processes in the growth of capitalism.'

Finance Capital and the Financial Oligarchy.

Lenin explains how the businessmen who carry on production rely increasingly on capital supplied by the banks; how the 'pyramid' principle, applied to the shareholding structure of companies, enables owners of a relatively small percentage of capital to control large aggregations of capital and secure extremely high returns on their investments; how these owners strive to consolidate their power and enhance their profits by establishing monopoly; and how finance capital becomes supreme.

'It is characteristic of capitalism in general that the ownership of capital is separated from the application of capital to production, that money capital is separated from industrial or productive capital. . . Imperialism, or the domination of finance capital, is that highest stage of capitalism at which the separation reaches vast proportions. The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy.'

The Export of Capital.

'Typical of the old capitalism, when free competition had undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies ruled, is the export of capital.'

The Division of the World Among Capitalist Countries.

The Monopolies first reach out to divide the world. When everything has been seized, the further expansion of any group can only be at the expense of others, so there is an unremitting struggle for re-division.

Imperialism, as a Special Stage of Capitalism.

'Very brief definitions, although convenient, for they sum up the main points, are nevertheless inadequate, since very important features of the phenomenon that has to be defined have to be specially deduced. And so, without forgetting the conditional and relative value of all definitions in general. . . we must give a definition of imperialism that will include the following five of its basic features:

1. The concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;
2. the merging of bank capital with industrial capital, and the creation, on the basis of the "finance capital", of a financial oligarchy;
3. the export of capital, as distinguished from the export of commodities, acquires exceptional importance;
4. the formation of international monopolist capitalist combines which share the world among themselves;
5. the territorial division of the whole world among the biggest capitalist powers is completed.'

The Parasitism and Decay of Capitalism.

'Monopoly under capitalism can never completely, and for a very long period of time, eliminate competition in the world market. . . But the tendency to stagnation and decay, which is characteristic of monopoly continues to operate, and in certain branches of industry, in certain countries, for certain periods of time, it gains the upper hand.'

The Critique of Imperialism.

'The question as to whether it is possible to reform the basis of imperialism, whether to go forward to the further intensification and deepening of the antagonisms, are fundamental questions in the critique of imperialism. . . the specific political features of imperialism are reaction all along the line and increased national oppression resulting from the oppression of the financial oligarchy and the elimination of free competition' (our emphasis).

The Place of Imperialism in History.

'Monopolies, oligarchy, the striving for domination instead of striving for liberty, the exploitation of an increasing number of small or weak nations by a handful of the richest or most powerful nations — all these have given birth to the distinctive characteristics of imperialism which compel us to define it as parasitic or decaying capitalism. . . It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. . . Certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies.'

Changes in Britain.

With these ideas in mind, we turn to the situation in Britain.

A carefully fostered myth is that since the War

Britain has developed a 'mixed economy', part capitalist and part socialist. But socialism cannot mix with capitalism. Either the principle of public service and the abolition of exploitation prevails, in which case the socialised enterprises dominate the private firms, curb their profit-making and prevent them functioning with capitalist 'efficiency'. Or exploitation continues and its requirements and pressures affect the functioning of the whole economy including 'socialised' enterprise. Britain's economy is not 'mixed'. It is capitalist. If some industries are run by the state, not by private firms, this is state capitalism not socialism. The transfer of operational control from private firms to nationalised undertakings has point, of course. The change has been made to serve the interests of the capitalist class as a whole, with sectional interests over-ridden where necessary. And nationalisation, described as 'socialism', has been a means of assisting their interests by procuring subsidies to the undertakings from public funds, which would have been impracticable had they been left in private hands.

The development of nationalised industry is one of the elements in the intensification of monopoly in Britain which has speeded-up under the Labour Government. Nationalization was extended to steel in July, 1967. The growth of nationalisation has been accompanied by retreat from the principles formerly proclaimed as its purpose. The reformists used to describe nationalisation as an instrument for basing production on service to the people not the hunt for profits. Of course, this was never more than fig leaf propaganda; but now the leaf has been shed. Under the Labour Government nationalised undertakings must pay their way; the Treasury has laid down scales of profit expected. Nationalised undertakings are now enterprises with fully capitalist objectives. 'Efficiency', not social justice, is their watchword. The only difference between them and private firms is that they are able to take account of overall rather than sectional capitalist interests. Coal-mining and steel, for example, can be handled differently from what would have been possible had the industries remained divided among firms each concerned only with its own fortunes. There is unified control of investment, technical innovation, terms of supply and pricing. The capitalists hope that these industries can, as tight monopolies, stand up better to foreign competition. Furthermore, nationalised undertakings can operate price differentials which enhance the profitability of private firms constituting their customers. They thus share the surplus value extracted from their own workers with capitalists in the private sector of the economy. Losses which arise from these price policies are made good from public money. From the standpoint of the capitalist class as a whole, nationalisation increases the surplus value squeezed from the

workers.

As capitalist profitability has replaced 'public service' as the purpose of nationalisation, there has been a whittling down of parliamentary control, minimal as this always was. The Post Office, for example, is being re-organised into a business corporation with its management shielded from outside questioning and review.

Thus in the economic re-structuring of Britain we should recognise as an important element the creation of state capitalist monopolies for vital areas of the economy, with the management effectively responsible neither to private shareholders nor elected representatives. Control is exercised by men rooted in the politico-economic oligarchy which wields decisive power in the country. It was entirely logical, for example, that the Government should appoint the merchant-banker Lord Melchett as chairman of the British Steel Corporation.

The state-capitalist sector has considerable weight in the economy. It includes: coal; atomic energy; nationalised airlines; gas; railways; airport and port authorities; electricity; canals; steel; and nationalised road transport.

There is, in addition, considerable central government control over undertakings operated by local authorities and other bodies e.g. hospitals, road-construction, housing and civil-engineering works.

According to an article in the *Financial Times* of July 23, 1968 public enterprises in the UK accounted for about 30 per cent of gross fixed domestic asset formation between 1958 and 1965, with the government itself accounting for a further 15 per cent.

Thus through nationalisation the state now controls a large proportion of the country's production and services. The ideology determining how it exercises its control is wholly capitalist; the controllers it appoints come from private firms; and they operate their undertakings to meet the needs of private enterprise. The final beneficiary of nationalisation is the capitalist oligarchy.

In the last three years there have been, at gathering speed, other developments to strengthen the oligarchy. Firms in the private sector have been re-grouping and merging. The changes have sometimes been initiated but in any event have been supported by the state which, under the Labour Government, has created a special instrument for promoting mergers, the Industrial Reorganisation Corporation backed by £150 million of public money.

The regroupings have been the response to both external and internal factors. They do not reflect merely the situation of capitalism within Britain. They are a re-structuring which represents:

- a. the penetration of foreign (mainly American)

capital into Britain.

Example: Chrysler's take-over of Rootes Motors.

- b. mergers between foreign and British interests for mutual gain through the enhancement of monopoly.

Example: the fusion of British and American interests in the aluminium industry.

- c. mergers among British firms representing either defensive reactions against foreign competition or taking the offensive against it; or perhaps reactions which are both defensive and offensive.

Example: Leyland/British Motors.

- d. mergers in industries hitherto based mainly on free competition.

Example: The cotton textiles industry.

The process of re-grouping has been gathering speed. According to Board of Trade figures which are not complete in their coverage, the net asset value of public companies quoted on the Stock Exchange which were acquired by other companies was as follows:

1963	£164.5 million
1964	£299.3 million
1965	£345.5 million
1966	£547.2 million

The figure in 1967 was around £1000 million and the *'Times'* of June 6, 1968 stated:

'The total value of take-over bids and mergers announced so far for this year is now approaching a staggering £1750 million. . . a final 1968 figure of £2000 million is well within reach. . . Increasingly tough trading conditions throughout industry have made the advantages of sheer size much more apparent. Simultaneously, the relative strength of stock markets over the past year has helped to make take-over bids an attractive path to expansion. . . Government support through the Industrial Reorganisation Corporation has encouraged mergers, including some, like GEC/AEI., that may never otherwise have succeeded. . . the giant bids already made in 1968 have limited the scope for repeat performances — it is hard to see much more in industries like banking while British Leyland seems to have taken motor rationalization as far as is currently possible'.

Changes in banking have been particularly important, bearing in mind Lenin's points about the banks. The big mergers of British joint-stock banks have been well-publicised but less attention has been directed to the remarkable penetration and growth of American banks here. The *'Financial Times'* of June 4, 1968 gave the following figures:

American Banks in London

Current and Deposit Accounts

End-1964	£944 million
End-1965	£1432 million
End-1966	£2215 million
End-1967	£3283 million

In these years, while the deposits of these banks went up about three and a half times, deposits of

the British clearing-banks increased by only about 15 per cent. The faster growth of the American banks brought their deposits from about 10 per cent in 1964 to about 25 per cent in 1967 of those with British clearing-banks.

This rapid American growth has without doubt been one of the factors impelling British banks to merge and increase their strength through larger size. The US banks are rooting themselves in London as a base for their European and other overseas operations. They are familiarising themselves with the techniques and connections of the City. As their experience grows, their activities expand. London will probably continue as a big financial centre but increasingly London will mean the American banks located there rather than British financial power.

Whatever their fears about this, British bankers have nevertheless welcomed rather than resisted the American invasion. They strive, on the basis of their experience and skill, to share in the handling of foreign funds and participate in the profits; they hope that the entry of more foreign interests will reinforce London's role as a financial centre and so safeguard their own business. But what when the Americans are fully established in the City? The British bankers perhaps do not allow sufficiently for American readiness to kick away the ladder after they have climbed it. They have a 'collaborationist' attitude to American capital, expressing British imperialism's relationship with US imperialism. The dominant elements of the British oligarchy no longer asserts an independent line. They do not even aspire to the degree of independence implied in the concept of partnership, since partnership involves separate entities linked in the partner relationship. They accept fusion and integration with their US opposites as the means of preserving their participation in the profit-making process. They have no scruples about yielding British national independence as the consequence.

The objectives of the capitalists in the changes and re-structuring proceeding in Britain we sum up as:

- a. **in the nationalised sector**, to develop capitalist 'efficiency'; to strengthen the sector's links and relations with the private sector; to operate nationalisation to assist the profitability of the private sector; when this causes nationalised 'losses', to recoup them by subsidies from taxation on the people; to insulate nationalised undertakings from democratic control.
- b. **in the private sector**, to promote mergers (both vertical and horizontal) in order to create groups large enough to compete internationally; to foster the rationalisation of production (that is, economise on labour and make investments more profitable); to strengthen control of produc-

ing and increase profits; to build close relations with the state apparatus, both formally and informally, so that government assists private enterprise.

These are the objectives of banks and insurance companies as well as companies in industry and commerce. The financial institutions equally want to benefit from the economics of scale and the stronger control of pricing which monopoly brings. Many of them are also ready to link or create working-relationships with foreign banks (American and Continental) to increase their participation in the gathering-up of funds. They aim, now that the UK itself has difficulty in providing capital for foreign investment, is to gather and handle money from abroad. They want to act internationally as the middlemen Lenin described (although not **humble** middlemen), with resulting enjoyment of power and profit as disposers of the funds gathered in.

This explains the City's anxiety to maintain the international position of sterling, the desperate fight against devaluation and the consequential readiness to borrow heavily, despite all the disadvantages of going deeply into debt. City interests believe that to preserve their own position sterling must remain a freely-convertible currency and they support, as its twin policy, multilateral freedom of trade.

But sterling convertibility and multilateral trade freedom expose Britain to all the pressures of unstable world capitalism. Such 'freedom' is advantageous to the stronger capitalists who can use it to beat the weak. It suited the British capitalists a century ago. It still suits some powerful British interests in terms of their own position. But the British people need to control their destiny, not leave it to the workings of international capitalism dominated by US imperialism. Their interests call for reciprocal trading with those willing to co-operate on an equal basis. With such trading relationships, pressures on sterling could be controlled and Britain would have a different perspective.

Of course, these are policies incompatible with the maintenance of British imperialism, whose essence is inequality and domination not equality and reciprocity. These are policies for a socialist Britain and we encourage no illusions that imperialism can change its nature to apply them. We point to them to emphasise that the interests of the British people call for fundamental changes in the state, to be achieved only by overthrowing the ruling class. On their side the dominant oligarchy is promoting the re-structuring of the British economy to consolidate their power and prevent such overthrow.

Political Consequences of the Advance of Monopoly.

Monopoly means intensified exploitation, bringing working class dissatisfaction. The Labour Gov-

ernment has made the advance of monopoly the core of its policy. It has purposefully striven for mergers for concentration of production in larger units, for the intensified exploitation of the workers which is the basis of higher 'productivity'. It has pressed these policies through the selective distribution of government contracts, through public exhortation, through private influences and 'arm-twisting', through the giving or withholding of government finance, through the solicitation of investment in Britain by US monopolies, through the Industrial Corporation which Wilson created specifically to promote mergers.

Intensified exploitation has made the Government lose the support of many workers. More; betrayal by a party regarded as especially theirs, has made many workers cynical about politics in general. All the recent bye-elections demonstrate wholesale withdrawals from Labour with no equivalent transfer to the Tories. The dramatic increase in votes for Scottish and Welsh nationalists, while reflecting well-founded grievances, is also an expression of this flight from the old parties.

Disenchanted Youth

This disenchantment has particularly affected important sections of the youth, who have been voicing radical opposition to existing policy on armaments and foreign affairs, education and social services, and who reject society's self-seeking shoddy cultural values. But while clear about what they are **against**, young people have not been so clear about what they are **for**. The youth have not yet gathered around an effective leadership and organization.

Political cynicism has made some workers look to trade union struggle as what really matters, and there have been some important actions, such as the seaman's strike. But attitudes in the trade union struggles too have rejected the prevailing conditions. The struggles have shown two sides, being limited and non-political and yet at the same time in a different and important sense, very political. They have been limited by being defensive — **against** a reduction in living standards, **against** attempts to change working conditions and intensify exploitation; and there has been some reluctance to incur charges of 'embarassing' a Labour Government. On the other hand, even limited defensive aims brought the workers, once they took action, into conflict with the Government and the trade union leadership, which in the main accepts the Government's policies and feebly criticises merely the methods by which they are carried out. Considerable numbers of workers, caught up in the experience of struggle, have matured politically. The first result is a weakening of their support for labour and trade union leaders. As this attitude

spreads, it erodes the whole basis of social-democracy. It calls into question the ability of reformist leaders to play their role as a support-force of capitalism.

This is a really important development. Bourgeois democracy is a method of rule which works well enough for the capitalists so long as the people can be diverted into a game of parliamentary 'ins' and 'outs', into a sham battle where they think the parties are different and there is point in choosing between them, whereas the capitalists know that all the parties support capitalism and will carry through capitalist policies on main questions.

But what happens when the people begin to see through the sham, to realise that the parties all behave the same and serve the capitalists not the people? That brings on not just a political crisis between parties but a crisis of the political system itself.

Such a crisis is not yet immediate in Britain. There are still political cards to be played in the existing game — a change of leaders in the parties; a change in the party holding office; a coalition — but crisis of the whole system begins to be visible on the horizon. Its prospect has already given rise to changes, explorations and probings by the capitalists to prepare for a new turn in British politics, to devise new means of controlling the workers if the social-democrats and trade union leaders become no longer able to do so.

Means of Oppression

This is what underlies various developments related to the two aspects of rule — the influencing of people's ideas so that they can be governed 'peacefully' and organising means of repression for use otherwise. The developments mentioned below are still mostly at a preliminary stage. Many politicians still hope, no doubt, that an 'economic miracle' will preserve the role of the established parties and make radical changes in the political system unnecessary. Nonetheless, new trends are appearing and their implications and importance should not be underestimated.

There is a strengthening of the grip of the ruling class on the influencing of opinion (more explicitly, conditioning the workers to accept capitalist policies). The concentration of newspaper ownership proceeds and Lord Thompson has declared that there are still too many different papers in the country. The press is united in the aim of misleading the people over the causes of and remedies for Britain's problems. The Government has stepped up its activities for 'guiding' and 'informing' the press. These are mostly backstage activities because proclaiming the 'freedom of the press' is necessary for keeping its influence. But there is some uncovering of press-government relationships in

Wilson's row over D-notices and the Daily Express.

In the BBC and ITV new men have been appointed with close regard to their political attitudes. What other than political consideration can explain Lord Hill's role as BBC chairman?

The Labour Government has taken to a higher stage the use of deliberately misleading speeches, statistics and reports, as in Wilson's innovation of representing increases in arms spending as reductions by making comparisons in '1964 pounds' and by relating new expenditures not to the actual figures of the past but to hypothetical figures of what future spending could have been.

There is also the strengthening of the means of repression and the government apparatus with more centralised control over the police and the consolidation of police forces into larger groupings less responsive to local opinion; with the growth of private security forces hired by firms; with tighter Whitehall control over local authorities and other public bodies; with the Fulton Report proposals to make the civil service more responsive to the needs of business; with sanctions against the workers embodied in the prices and incomes legislation and in the recommendations of the Donovan Report for tighter control over trade unions and the 'nobbling' of shop stewards by enmeshing them in 'recognition'.

These changes in methods, organisation and personnel are important but even more important is the launching of political campaigns to divide the workers, divert them from their real enemies and thus make repression easier.

In Wales and Scotland nationalism has become a leading issue. In both countries complaints about the present situation are fully justified, but is separate government the solution to problems which really arise from the class struggle? Capitalists remain capitalists though they speak with Scots not Sassenach accents. Wales and Scotland, as nations, have every right to shape their destinies. But in freely deciding how to use their rights, Welshmen and Scotsmen should not turn away from the class struggle which is the real determinant of their future. Welsh and Scottish workers have common interests with English workers, not with Welsh and Scottish capitalists.

Whatever the future of nationalism in Wales and Scotland, it is unlikely to destroy the basic pattern of the existing political system in Britain. But another issue — immigration and race — has been brought forward with precisely this intention. The racial issue is seen by many reactionaries as immensely powerful. They aim to use it to pervert the workers, divide them, prise them loose from their socialist and trade-union loyalties and get them to follow new leaders and policies. It is poison intended to kill off the present political system.

What signs are there that such radical changes in the system are aimed at? There are straws in the wind, influential hints. Lord Robens, that 'might-have-been' prime minister, has explained how the country ought to be run (preferably by him) as 'Great Britain Ltd.' The former chairman of ICI, Sir Paul Chambers, leads an Industrial Policy Group of twenty-one leading industrialists who have made clear their view that democracy does not have much to contribute to the country's future. Enoch Powell, backed by considerable elements in the Conservative Party, has for several years been pioneering hard-headed 'realism' — discontinuing 'unrealistic' overseas military commitments, laissez-faire as the guiding economic principle, no truckling to reformist and 'welfare' methods of government. And in April he talked about immigration and race. Knowing exactly what he was doing, he denounced immigration as the cause of many problems; suggested that coloured people could not properly settle down to British life and should be sent away; and implied that otherwise there 'would be' bloody violence.

He both inflamed the racial prejudice which affects many in Britain (the legacy of imperialism's domination over colonial peoples) and made it safe for open expression by giving it the sponsorship of an ex-cabinet minister.

As a calculating politician, Powell knew why he was raising these issues. Who would benefit from conflicts between white and coloured workers? From arguments about schools in which white workers blamed poor facilities on immigrants rather than on those who preferred to spend the country's money on atom bombs? From anger about bad housing being directed against immigrants rather than against those for whom housing is merely a means of securing profit and who failed to provide decent housing before any immigrants had arrived and would still not provide it if all the immigrants left tomorrow?

The division and defeat of the workers which would result if they responded to the demagoguery of the racialists would benefit only the capitalists. It is the aim of the capitalist reactionaries to use racialism to disrupt, if they can, the existing political system and replace it with a more repressive one.

Racialism is a question of such importance in British politics today that it calls for an article to itself. If we say no more here, this is not to minimise its significance.

Conclusions

We sum up the importance and implications of the changes re-shaping Britain thus:

- a. Britain is not a 'mixed' economy with a social-

(Continued on page 20)

Viewpoints

From the Glasgow Communist Movement

The Glasgow Communist Movement welcomes the article by Mike Faulkner on 'People's War and World Revolution'. It is very important that such a key revolutionary principle as the concept of People's War should be known and understood. We were pleased to see that a correct distinction was made between the physical actuality of people's war as a purely strategic/tactical concept of fighting (ie gaining active support for the war from sections of most classes) and the utilisation of people's war as a fundamental part of the movement for national democracy and socialism (ie the political orientation of the actual struggle). This of course means, as was pointed out in the article, that people's war is not always part of a struggle for national democracy and socialism led by Marxist-Leninists. People's war can be and has been (as in Algeria) led by the national bourgeoisie against imperialism, for some kind of bourgeois democracy. The essence of people's war is that nearly all classes are involved in common struggle against a common enemy. If this struggle is not guided by Marxism-Leninism it cannot itself institute socialism. The technique of people's war can however be utilised by the masses not under the guidance of Marxist-Leninists. To deny this is to deny the facts of history.

The role of the national bourgeoisie in this situation needs to be clarified. Failure to understand the role of the national bourgeoisie in a democratic revolution has caused many setbacks in the Communist movement of the eastern countries. Indonesia is the most recent example of this.

The national bourgeoisie in general is a vacillating class and it has a dual character of opposing and collaborating with imperialism. A national democratic revolution is directed against imperialism, feudalism and the domestic comprador bourgeoisie. The national bourgeoisie remains anti-imperialist in its own interests of developing capitalism independent of imperialist competition, as long as it can maintain its leadership of the revolution. Once this leadership is challenged by the workers and peasants in order to carry the revolution through to the end, leading to the socialist revolution, the national bourgeoisie does not delay joining with imperialism, the big bourgeoisie and sometimes even with the feudal landlords.

Thus we often recognise two stages in those democratic revolutions which are initially led by the national bourgeoisie. The first stage does not necessarily involve a people's war (India, Ceylon, Burma, etc). But the completion of the tasks of the revo-

lution is impossible without a people's war. It is of course true that democratic revolutions with or without a people's war can be led by the national bourgeoisie. The national bourgeoisie can, however, never be a reliable ally of the working class.

The above characterisation of the national bourgeoisie is proved by the Cuban revolution also. Originally the revolution was national democratic and was indeed not led by the proletarian vanguard. Sections of the national bourgeoisie which were initially represented in the Cuban state attacked the revolution in its later stages. However, owing to the objective reality of the time, the leadership was transformed to Marxism-Leninism by degrees and the revolution became socialist by degrees. What is confusing many comrades is that this is indeed an anomalous situation whereby the national democratic revolution and its leaders, due to the pressure of contemporary events, transform themselves and their revolution to be socialist. It is obviously not necessary for there to be a clear, hard line where the national democratic revolution stops and the socialist revolution begins, although this state of affairs does often come about. It is indeed possible, as has been shown in Cuba, for it to be a continuous and contiguous process of evolution to socialism. 'The national democratic revolution is the necessary preparation for the socialist revolution, and the socialist revolution is the inevitable sequel to the national democratic revolution. **There is no Great Wall between the two revolutionary stages**'. (Lin Piao: 'Long Live the Victory of People's War').

If criticism is to be made of Cuba as a socialist country it has to be made on other grounds than the mechanics of its revolution.

The state power in Cuba is in the hands of the working class. The Cuban economy is undergoing socialist transformation. But clear ideology is an essential pre-requisite for any socialist revolution to finally succeed. Though the Cubans are learning Marxism-Leninism through experience, ideology remains Cuba's main weakness and this accounts for her failure to recognise the true nature of modern revisionism and her reluctance to fight against it effectively.

Chic Maisels for GCM

From Virginia Penn

You invited comments on the article by Mike Faulkner, 'On People's War' which appeared in the previous issue of *The Marxist*. I found it a very useful and thought-provoking article and wanted to raise a few points which struck me when I read the section, 'National Democratic Revolution'.

Basic points in the section I fully agree with. Mike Faulkner says that the present anti-imperialist

revolution is part of the proletarian world revolution and therefore mobilises all progressive forces against imperialism, feudalism and comprador capitalism; must have proletarian leadership to overthrow completely the old order; must take the form of a people's war; and, on the basis of the worker/peasant alliance 'new democracy' is established.

Later he says that 'it is possible in some cases for people's wars of national liberation to be waged under the political leadership of the national bourgeoisie', and 'unless the leadership is wrested from them before or following liberation, then the revolution will be halted at the national democratic stage'. Here, I feel that it is necessary to make clear the difference between national democratic revolutions and national liberation wars.

One must, first of all, distinguish between a full-scale people's war led by the proletariat and a national liberation war led by the national bourgeoisie. Mike Faulkner says correctly that only the former can lead to the setting up of a 'new democracy'. It seems therefore inconsistent to speak as he does of a 'national democratic stage' in a war led by the national bourgeoisie. Also, if it is a people's war, it is one led by the proletariat and it is misleading to talk about the proletariat wresting leadership in such a war from the bourgeoisie.

One does not want to quibble over terms, but I think it important to be quite clear about what the terms mean if we are to assess correctly the class content of present and future revolutionary struggles. A national liberation struggle can be against external or internal enemies, or both, and is progressive; it may be led by either the proletariat or the national bourgeoisie. But only in the former case is it a full-scale people's war although it would contain elements of people's war even if led by the bourgeoisie. The National Liberation struggles of the Algerians against France and the Indonesians against Holland mobilised the progressive revolutionary forces and won political independence but neo-colonial relationships remain. Furthermore, a national liberation war led by the national bourgeoisie can be turned into a national democratic revolution and become a full-scale people's war if the proletariat seizes the leadership. And conversely, a people's war led by the proletariat can be halted if the bourgeoisie succeeds in seizing the leadership.

Finally, it is essential to define the role of a Marxist-Leninist party. Mike Faulkner says that 'the assumption that any struggle which is not led by a Marxist-Leninist party can never take the form of a people's war indicates an incomplete understanding of people's war'. I think this confuses the issue. If a people's war is to overthrow completely the old order, a revolutionary party armed with

Marxist-Leninist theory must be the vanguard guiding the leading class, the proletariat. It is true that in Algeria, Indonesia, Cuba the anti imperialist liberation struggle drove out the foreign oppressor in the sense that national governments were set up without the leadership of Marxist-Leninist parties, but the old order was not completely overthrown. Elements of people's war certainly existed, but the proletariat did not seize power, and in Indonesia particularly one can see the rapid deterioration of the revolution.

Virginia Penn

MERGERS

(Continued from Page 20)

- ist sector. The economy is wholly capitalist, with a large element of state capitalism. Both through the development of state capitalism and the consolidation of monopoly in the private sector, exploitation is being intensified.
- b. The dominant monopoly interests in British imperialism are intimately linked with US imperialism in a relationship which makes them 'collaborators' sacrificing British national independence. To expose and isolate the 'collaborators' and build a broad movement against them is one of the main tasks of the British workers.
 - c. The political counterpart of monopoly is 'reaction all along the line' so that the advance of monopoly is accompanied by political pressures towards the right. There are moves to strengthen state powers or repression, increased resorts to demagogic deception, calculated efforts to weaken the workers' abilities to resist by dividing them. Immigration and race are issues chosen deliberately by reactionaries for this purpose.
 - d. It is utopian to oppose monopoly and political reaction by harking back to competition and bourgeois democracy. The fight against monopoly involves going forward, not looking backwards. That means overthrowing the system which engenders monopoly. The workers must take power from the capitalists by revolution.
 - e. Marxism, not the 'new thinking' of revisionists and reformists, explains the developments in Britain, which are not the 'growing over' of capitalism into Socialism but the further development of imperialist monopoly and political reaction. To spread this Marxist understanding and build activity and struggle correspondingly is the essence of political work in Britain.

July 25, 1968.

AGAINST REFORMISM

(Continued from page 4)

ionary Marxism-Leninism, the theory of working class philosophy.

Current trends in the trade union sphere are towards union mergers. It would seem that these are positive moves which by bringing together larger numbers of workers within one organisation would provide greater strength to the trade union movement.

Is this really so? The question should be looked at in the light of taking into account the role of reformist trade union leaders and their involvement and relationship with the machinery of the state. The top strata of trade union leaders are an integral part of the state machine. The function of such leaders is to oppose movement towards revolutionary change, to control the trade union movement, to ensure that working class demands are met with settlements which provide the minimum irritation to capitalism. Amalgamations at this present stage are meant to consolidate and strengthen reformist control over trade union members. If the attempts to foist on to the workers the burdens of the capitalist crisis are to be successful a more centralised reformist leadership greatly assists the operators.

It is certainly true that members of trade unions concerned in amalgamations have the opportunity of determining by ballot whether or not such mergers take place, but the real discussions have been conducted in secret at top leadership level. Quite understandably so; in fact one would imagine secrecy to be highly advisable when these leaders are discussing the very delicate problems of who is going to have which job and how much they are going to be paid. Such sensitive questions of compensation for loss of office may, if openly ventilated, cause redundant workers to make unfavourable comparisons. There are certainly plenty of cynical remarks made about trade union leaders in the workshops, and most workers still seek to find a solution to this problem in the election of what appears to be a more militant type of leader. There is no shortage of militants in the trade union movement, but it is well to remember that the leaders of today were the militants of yesterday.

The tendency by the majority of workers to place reliance on individual trade union leaders is a carefully nurtured reformist conception; it enables trade union leaders to chart their own course, and avoids the question of mass participation by workers in formulating demands and activity to achieve them. The continued election to positions of leadership in the trade union movement of people who are militants but reformist in basic ideology must be challenged. It would not be sufficient to challenge

this position by merely selecting Marxist candidates to run in opposition. All too frequently election campaigns based on the individual merits of candidates lead to the position where in an endeavour to catch votes candidates have ascribed to them by supporters, personal qualities and characteristics which are far removed from reality. Maintaining the mythical image in order to secure re-election then becomes the substitute for real political work. The objective must be the creation of a revolutionary industrial base by consistent, systematically organised struggle against reformist ideology. The present situation offers many opportunities for Marxists to take advantage of the deepening contradictions between the reformist trade union leaders and the trade union members to generate struggle and activity for tactical objectives. These objectives based on the needs of the workers themselves, on which they feel the need to fight, allows us, while fighting to conduct a principled struggle against reformist conceptions. The attack on the influence and leadership of reformism is an essential part of the creation of a Marxist party in Britain — a party which will be formed from those industrial workers who recognise the leading role of the industrial working class in organising the overthrow of capitalism, and who have come to these conclusions through their experiences in class struggle.

As Lenin wrote in *State and Revolution*.

'the doctrine of the class struggle was created not by Marx but by the bourgeoisie before Marx, and generally speaking it is acceptable to the bourgeoisie. Those who recognise only the class struggle are not yet Marxists; they may be found to be still within the boundaries of bourgeois reasoning and bourgeois politics. To limit Marxism to the doctrine of the class struggle means curtailing Marxism, distorting it, reducing it to something which is acceptable to the bourgeoisie. Only he is a Marxist who extends the acceptance of the class struggle to the acceptance of the dictatorship of the proletariat.'

Retreat

(Continued from page 10)

people, by socialist education and socialist politics, would eclipse the achievements of both capitalism and mixed economies that adopt the methods of capitalism. The Chinese way, of developing an effective social conscience by making it a matter of self-respect for every worker and former poor or middle peasant to be contributing whatever he can to collective labour, even though there might be other and easier ways of making more money, has been dismissed as irrelevant to Europe. Nevertheless, while immeasurably harder to embark upon, it is incomparably more potent than an incentive system.



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