

This would come about partly owing to the desire to restore to the bookseller the margin clipped by price-cutting, and partly because the fear of price-cutting would lead to less stock-holding and smaller pre-publication orders, on which publishers rely. As a result smaller editions at inevitably higher prices per copy would follow. This would lead to a price spiral, with fewer people able to afford the higher prices (b) fewer titles being published, owing to smaller chances of distribution and sale. This would particularly affect books of minority appeal and here, surely, would be included works of importance to the Party and to progressive intellectuals and workers; and those published would be dearer.

The suggestion in the Party statement—echoing the views of Tories, Liberals and Right-Wing Labour—that retailers are making excessive profits is certainly not true in the bookshops. Independent examinations of their finances have revealed the very low rate of profit made. Nearly all booksellers who are prosperous rely upon other sources, such as printing, publishing or the sale of stationery and fancy goods. This trend is increasing, and the tendency is for retail bookselling to decline. Possibly in some trades alternative distribution methods will be developed, but whereas price cutting of books might lead to a widening of outlets for a few titles, it would not lead to an extension of stock-holding retailing in a trade with 150,000 books in print at any one moment.

In the Socialist countries, where demand for books outstrips supply, booksellers have a 25 per cent discount off retail prices; in Britain the average is about 27 per cent, with a far smaller

rate of turnover. In the old days of book price-cutting the usual discount on marked prices was 25 per cent off the (raised) marked price. At present price-levels the Co-operative Movement, which incidentally has only slightly increased its interest in book retailing since the last war, could certainly not afford price-cutting as well as the payment of dividends.

Two general points arise from the particular. In condemning price-fixing generally do we distinguish sufficiently between producers' cartels and price-fixing agreements and fixed-price selling in retail shops? Secondly is not price-cutting a weapon of the large multiple firms with enormous resources against the small shop-keeper? And is it not our policy to support the small retailer against the monopolies and multiples?

The new-found enthusiasm of the Tories for "outlawing" retail price maintenance and "freeing" prices is as suspect as any other form of Tory "freedom". It is not only demagoguery, but a skilful plan to shift their own responsibility for the rising cost of living onto other shoulders, and at the same time to strengthen the large concerns against the small trader. Everyone has now seen through the "twopence off" tricks of the detergent manufacturers; it is the same with other goods. The "low mark-up" in the cut-price stores on certain branded goods is countered by a "high-mark-up" on other goods. Everyone in the Supermarket business knows this. The most enthusiastic advocate of price-cutting, Professor Yamey, only claims that consumers might save 5 per cent over all. The only genuine price-reductions to the consumer under capitalism in the long run are by way of the dividends paid out by the Co-operative Movement.

# The Fight Against the Monopolies

*Michael McCreery*

THE anti-monopoly campaign outlined in the document drafted by the Economic Committee, and approved by the Executive Committee (*Marxism Today*: July) raised a number of important questions. It is very necessary that a plan of attack be drawn up by the Communist Party to mobilise all sections of the people against monopoly capital. But I cannot agree with the way it has been done in this document.

The aim was to outline a series of measures, which would, if achieved, "strengthen the hand of

the people and temporarily weaken to some extent the power of the monopolies". These measures would lie short of socialism, in the sense that even if they were achieved the "state monopoly capitalist framework" would still remain intact; and it is this "which the British people must destroy if they are to control their own destiny".

In other words, the documents aimed at outlining a programme of *democratic* advance against monopoly capital, for a stage of the struggle *prior* to the final overthrow of monopoly capital. To draw up such a programme of democratic

demands is not, of course, to argue that all of them can and will be achieved so long as monopoly capital retains state power; only that their achievement is *compatible with* the continued existence of state monopoly capitalism.

But before examining these demands in detail, one or two general comments. Firstly, we should be cautious about the extent to which democratic advance can “weaken the power of the monopolies”, even “temporarily”, so long as the framework of state monopoly capitalism remains intact. The struggle for democratic rights in Western Europe since the 2nd World War has taught us this lesson.

For example, the Labour victory in the 1945 General Election in Britain was followed by substantial measures of nationalisation, improved social services, and some anti-monopoly legislation. But the political *power* of the monopolists was not weakened to any important extent. The monopolists *as a class*, retained their hold over the machinery of state and were thus able to gear the policies of the nationalised industries to suit their own needs. The home and foreign policy of the Labour government faithfully represented the interests of monopoly capital—wage-freeze at home, colonial wars abroad to maintain British imperial interests.

Whatever may be the prospects for winning concessions from the capitalists in the 1960s we should not equate such concessions with the weakening of monopoly capital's political power.

There are also, I believe, dangers in presenting the democratic struggle as one directed against “the monopolies”. The main enemy of the British people is not “the monopolies”, but state monopoly capitalism. If we focus attention upon “the monopolies” (those industrial and financial giants who dominate the economic life in Britain) then inevitably we tend to see the struggle in *economic* terms—restriction of the *economic* power of the monopolists as the main immediate task. And from this position we can all too easily slide into regarding the removal of the monopolies from the *economic* scene, via nationalisation, as the way in which the working class will transfer *political power* into its own hands.

### Smash the Capitalist State to win Power

Is this weakness not revealed in the following statement in the document (page 202)? “In the course of the anti-monopoly struggle we must win the mass of the people to an understanding that the power of the monopolies can only be completely broken by an advance to public ownership.” But Parliamentary majorities, and economic

measures, in themselves, will never break the power of monopoly capital. To achieve this the capitalist state, with the armed forces at its centre, must be broken up, smashed.

But to return to the “anti-monopoly” programme. There is in the general analysis preceding the detailed proposals, an apparently small, but, I believe, fundamental error. I quote from page 199. “Even today liberal and conservative economic literature often describes the position as if it were a case of monopolies being an exceptional, though dangerous, feature in an otherwise healthy system; hence their various proposals to increase competition and make the system work ‘normally’. . . . We believe that on the contrary, *it is the monopolies which are the basis of the capitalist system in its present stage* [my italics, M.McC.] and which, to a large extent, determine its development.”

To describe the monopolies as the *basis* of the capitalist system in its present stage is to argue that Lenin's analysis in *Imperialism, the highest stage of capitalism*, is out of date. He wrote, “As we have seen, the most deep-rooted economic foundation of imperialism is monopoly. This is capitalist monopoly, i.e., *monopoly which has grown out of capitalism and exists in the general environment of capitalism* [my italics, M.McC.] and remains in permanent and insoluble contradiction to that general environment.”

This statement holds good for today. Monopoly capital is still only a fraction of total capital in Britain today. Monopoly still exists in the general environment of capitalism. But competition inevitably creates monopoly. Lop off one of the Hydra's heads and another will soon grow to take its place. Monopoly is the product of the capitalist system. Monopolies crown and dominate the British economy today, but they do not form its base.

Why is this error vital? *Because if monopolies are the basis of the capitalist system then to break them up is to break up capitalism itself.*

However, breaking up the monopolies, far from being a step in the direction of socialism, is only a restoration of competition. Lenin quoted Hilferding with approval. “It is not the business of the proletariat to contrast the more progressive capitalist policy with that of the now bygone era of free trade and of hostility towards the state. The reply of the proletariat to the economic policy of finance-capital, to imperialism, cannot be free trade, but socialism. The aim of proletarian policy cannot now be the ideal of restoring free competition—which has now become a reactionary ideal—but the complete abolition of competition by the vanquishment of capitalism.” Lenin then says,

"Kautsky departed from Marxism by advocating what is, in the period of finance capital, 'a reactionary ideal', 'peaceful democracy', 'the mere operation of economic factors', for *objectively this ideal drags us back from monopoly capitalism to the non-monopolist stage, and is a reformist swindle*" [my italics, M.McC.].

The Economic Committee's document, having slated "liberal and conservative economic literature" for aiming at "increasing competition", then proceeds to advance proposals which have the very same aim!

A number of "main ideas" are listed, and then follow the practical proposals which embody these ideas. First and foremost is the idea that we must "expose the monopolies. . . . To deny the people knowledge of the facts concerning the monopolies is to deny their right to democratic discussion of national economic policy." Most of the proposals embody this idea. The present Monopolies Commission is to be enlarged and charged with collecting and publishing "the fullest information about all large firms", their costs of production, price policies and profit margins, and their cartel agreements with each other, both nationally and internationally. A Select Committee on monopolies is to be set up by the House of Commons, in order to "review all aspects of the question of monopolies, to issue regular reports and to work out practical measures to deal with monopolies."

Four further proposals are really means of assisting the Monopolies Commission and the Select Committee to produce the facts about monopoly. Firstly, a National Consumers Council is to be set up to investigate retail prices, quality of consumer goods and profits earned by the firms producing them, with the "power to make representations for legislation to the Select Committee on Monopolies". Secondly, a National Housing Committee to do much the same job for housing. Thirdly, publication of full details of all public orders placed with private firms, particularly the huge contracts offered by the Ministry of Defence and the nationalised industries. Fourthly, publication of costs and profit margins for all goods sold to the farmers by the monopolies (e.g. machinery, fertilisers, feeding-stuffs).

All these proposals are most useful. We can hazard a guess that they will reveal that the monopolies are more efficient and earn higher rates of profit, in general, than competitive capital. But then, the question arises, along what lines do we intend "to work out practical measures to deal with the monopolies"? Are we to aim at restricting, containing, and breaking-up these *more efficient* firms, at returning to competition, or are we to aim at taking them over in the interests of

the people, at socialism? Do we present a reactionary or a progressive alternative to monopoly?

The next "main idea" which the document outlines, and the practical proposals in which it is embodied, give us the answer. The idea is this. "Put obstacles in the way of the further growth of monopoly. The continued further concentration of economic power, and with it political and social power, is a menace to the people, and negates the genuine advances towards a more democratic society that the people have won by their struggles." Now what should be deduced from the continued concentration of economic and political power is the ever more pressing need for the people to win this power from the monopolists. But in this document we are given the "aim for the immediate future, of putting "obstacles in the way of the further growth of monopoly".

#### **Fight for Socialism not for More Competition**

If this idea is embodied in any concrete proposals they must aim at putting back, or at least stopping, the economic clock. And, sure enough, three proposals which follow attempt just this. Firstly, "No take-over bid, merger, or amalgamation should be concluded without first submitting full details to the Monopolies Commission, *which should in general not permit any take-overs if they lead in the direction of monopoly*" [my italics, M.McC.].

But *all* mergers lead "in the direction of monopoly", and *nearly all* mergers take place under the pressure of competition, national or international, actual or threatened, so as to increase the efficiency and competitive power of the merged firms. Economies of scale can be obtained in a variety of ways. In general productivity per worker rises.

So with this proposal we take our stand *against* the more efficient firm, and *for* the less efficient firm. It is a reactionary proposal, and, not only that, ineffectual. For, so long as the state monopoly capitalist framework remains intact, nothing that the working class can say or do will check the inevitable development of capitalism "in the direction of monopoly".

Of course, we oppose all adverse consequences for working people which result from such mergers. And this leads to the document's second reactionary proposal. "The Trade Union Movement should intervene and resist all take-over bids and mergers which threaten closures or redundancy among the workers." But most mergers "threaten redundancy", so again we are called upon to resist mergers in general, and again, we can resist until we are blue in the face, but we will not be able to check them.

Presented in this way the fight against redundancy is being sacrificed to the vain fight for competition. For what *can* be attempted, with some prospect of success, even under capitalism, is direct resistance to the unemployment likely to result from the merger. The Labour movement could unite the great majority of the British people in a campaign for full pay for all those declared redundant until alternative employment has been found for them (with no loss of pay), either by their own firm, or by the state. The strong sympathy which has been evoked, even among the middle classes, in support of recent strikes for the *right to work* is evidence that such a campaign could bring pressure to bear upon the monopolists, and compel them to take action probably via the state.

The third proposal to embody this "reactionary ideal" reads: "Where technically feasible monopolies, or near monopolies, should be broken up. This could apply to some newspaper chains, the system of 'tied' businesses in public houses, or filling stations and chain stores." It is "technically feasible" to break up many combines. The question is, will the net result be a gain or loss, in efficiency? For example, it is technically feasible to break up Woolworth's and Marks and Spencers', and Sainsbury's and Boots the chemist. But who would gain? Not the working-class housewife, who saves when she buys at these stores rather than from the small shopkeeper. For their prices are often lower. And why? Because the chain stores are more efficient. They can undercut the small shopkeeper and still make a large profit.

But if the chain stores are broken up these economies of scale will be lost. This is not the way forward. The progressive alternative is to run them in the interests of the people, and not for the greater profit of Messrs. Sainsbury, and Spencer. Socialism is the progressive alternative to the chain stores, not a return to more competition, out of which monopoly will inevitably grow once again.

There are only two further proposals for action in this "anti-monopoly" campaign. The need to strengthen the co-operative movement is stressed. And the abolition of retail price maintenance is proposed. Both are positive, but neither involves direct action against monopoly capital. (One might note, in passing, that the abolition of retail price maintenance would strengthen the chain stores at the expense of the small shopkeeper, who would be undercut even more frequently than at present. How has it slipped into this programme?)

### Need for a Comprehensive Democratic Programme

Where direct action against monopoly capital is proposed in this document the general line is clear. It is for the maintenance and restoration of competition. This backward-looking programme represents the wishful thinking of the petty-bourgeoisie and the competitive capitalists, not the interests of the working class. There is no mention of the need to maintain and advance real wages; no mention of the need to win economic concessions from the state in the form of improved social services; no mention of the need to reform the constitution (abolition of monarchy and Lords, proportional representation, etc.); no mention of the need to maintain and advance democratic rights of assembly, organisation and free speech. But all these, and more, should be included in any comprehensive programme of political and economic advance against state monopoly capital.

Such a comprehensive democratic programme which should be presented alongside, but distinct from, our socialist programme, would draw the working class into action because its aims are in their interests. And not theirs alone. As the working class moved into action wider and wider sections of the petty-bourgeoisie, the middle classes, even the competitive capitalists, could be drawn into the struggle alongside the workers. The small shopkeeper would gain more from an advance in the real wages of his customers than he would from the break-up of the chain stores. The doctor would gain more from an improved Health Service than he would from a restoration of private practice. The small- and medium-sized firms would gain more from alliance with the working class than they would from an attempt to join with monopoly capital in intensifying exploitation of the people, for monopoly will squeeze competitive capital before it challenges the more powerful Labour movement.

In short, in the course of struggle against state monopoly capital, all other classes can be won to *abandon* those of their class aims which are reactionary and to throw in their lot with the working class. In this way the monopolists can be isolated prior to their final overthrow. For it becomes clearer each year that what stands in the way of realising even these democratic aims is the political power of monopoly-capital—their hold over the machinery of state—and that until this political power is smashed, and the Dictatorship of the Proletariat established, *no* democratic aim is secure.