

---

# Marxist Studies

---

THE WORKERS' CONTROL MOVEMENT AND THE BUILDING  
OF A REVOLUTIONARY CADRE

John Walters

THE LAW OF VALUE IN RELATION TO SELF-MANAGEMENT

Ernest Germain

PRODUCTIVITY DEALS AND WORKERS' CONTROL

Ken Tarbuck

BOOK REVIEWS

**Vol. 2 No. 2 Spring 1970 Three Shillings**

# Marxist Studies

Editor: John Walters  
Editorial Board: E. Carter  
Publications to 16a Holmdale Road, London NW2

---

<u>Vol. 2 No. 2</u>	<u>CONTENTS</u>	<u>Spring, 1970</u>
<u>Page 1</u>	<b>Bertrand Russell</b>	
2	The Workers' Control Movement and the Building of a Revolutionary Cadre.	John Walters
9	Self-Management in High Schools in France May 1968	Nicolas Baby
15	The Law of Value in Relation to Self-Management and Investment in the Economy of the Workers States.	Ernest Geras
30	Productivity Deals and Workers' Control.	Ken Tarbutt
34	The Factory Council	Antonio Gramsci
39	A Letter to a Comrade	Ken Tarbutt
43	Book Reviews	

---

Subscriptions rates 12s for four issues post free.  
Overseas rates 14s for four issues post free.

All Cheques and postal orders should be made payable to  
BMS Publications

Marxist Studies is published four times per year by BMS  
Publications

Signed articles do not necessarily represent the views of  
the editors.

## Bertrand Russell

The death of Bertrand Russell means that a great man has left us and the void that this loss leaves will not be filled easily or by one person or even several. Bertrand Russell's intellect was of the kind that is only rarely seen, and we are all the poorer for the loss of it.

This does not mean that we thought that everything that Bertrand Russell did was correct. On the contrary like the rest of us he was human and fallible. But his humanity was of the heroic scale. While the bourgeois press have poured out their eulogies about his great achievements in the field of philosophy and mathematics, and also about his early 'rogue elephant' periods such as in the first world war; none of them mentioned or gave credence to his last and perhaps most outstanding work. This work was the setting up of the International War Crimes Tribunal. Whilst the Tribunal was harried from one country to another, and presented as some sort of stunt Russell reacted with dignity and calm. This was possible because he knew, as we all did on the left, that crimes against humanity were being committed by the United States in Vietnam. The vindication of the findings of the Tribunal has come about by the 'discovery' of such atrocities as took place at 'Pinkville'. It will be for his work on this issue if for nothing else that Bertrand Russell's memory will be cherished by the youth of the West, by the victims of aggression and by all those who have suffered from inhuman indignities of hunger and want and who have been brutally attacked by predatory imperialism. In the last few years of his very long life Russell grew in stature as he attacked these injustices. This last phase of his life was perhaps his greatest and finest hour. For this we salute him.

## This Issue

This issue is almost wholly devoted to the question of workers' control or self-management. We feel that this question is one that needs to be explored theoretically and practically. In the pages of this journal we can only explore in the 'abstract', but we are sure that many workers are shortly going to explore it in practice. This is why we felt the need to publish the material here presented. We have deliberately chosen material that ranges fairly widely in content and concern because we feel that this question is one that is central to socialism.

# The Workers' Control Movement and the Building of a Revolutionary Cadre

John Walters

In order to discuss and assess the perspectives for the workers' control movement, and to indicate the role that cadres play within it, it is necessary to make a brief survey of the main features of the development of the campaign since 1964 - when the campaign began - upto the present time. This is not to say of course that the ideas of workers' control only started in 1964, but it was in that year that a serious campaign began to once more inject the whole concept back into the living Labour movement.

It is possible to distinguish three phases, so far, in the development of the present movement.

The initial stage ran from 1964 to 1966, during which the movement sought to define its central strategy, and during which it attracted the support and active participation of some small groups of workers, and several key individual worker militants. Sponsorship and organisation of conferences plus publications were at this stage carried out by the group around The Week in Nottingham, together with the editors of Union Voice and Labour's Voice in London and Manchester respectively. Tribune was usually involved as a sponsor, though without an-rea participation in the practical work. The London Co-operative Society was involved as a sponsor in the important second conference in 1965, which was held in London. The various left tendency journals participated in the early conferences and considerable effort was expended in debating between the groups, particularly between the IS and The Week. The later controversy centred between possibilist oppositional militancy and activity, advocated by IS, and the transitional demand for opening the books of the bosses, advocated by The Week tendency. This was an important clarifying debate for many of the participants. It is now possible to characterise the IS position of that period as representing the a-political, or economic, local spontaneity of the stewards' groups of the 1950's, whilst the programmatic approach which was advanced by The Week was an anticipation of the politicised trade

unionism which has emerged under the impact of the Labour Government with its 'incomes policy' and productivity bargaining, anti-union drive generally which has been thrust upon the Government and Employers by the sharper economic crisis of the mid and late sixties. In this sense the period since 1964 - with its enormous balance of payments deficit - can be viewed as a turning point in post-war history in this country. In this phase too, the practice of organising conferences and activities along seminar lines, which at first sight might have appeared somewhat 'academic', forged the continuing alliance between socialist cadres and workers - at first in small numbers - which has given the movement its resonance and living quality. There was also the conscious attempt to pick up the thread of the historical tradition in the British labour movement, reaching back to the 1910-26 period, when a genuinely hegemonic ambition prevailed among large sections of the British working class in its industrial politics and to re-establish the authenticity of that tradition. However, this tradition was never more than the expression of a minority, albeit a large one. Critics sometimes saw this as a rather academic or nostalgic exercise, yet no movement which aims at hegemony can neglect the historical roots of consciousness, if it hopes to build upon and in the mass labour movement.

Even without any conscious stimulus, it was inevitable that anarchism, syndicalism, guild socialism, utopianism and participationist reformism would emerge and struggle with revolutionary Marxism within the movement, as soon as a class based strategy for the transition to socialism was reopened. So it proved. And therefore the necessity of establishing and preserving an open movement, in which the debate between all tendencies and views could continue. This meant that there should be no premature search for a formal closing of the debate on issues. For it is of fundamental importance that this debate engages workers and revolutionary cadres together. A didactic and consciousness-forming process is generated by such a debate, both for the worker-militants and for the revolutionary cadres who are formed and developed as the movement grows. (And this will be a continuing process just as long as the movement draws to it new and wider layers of workers). Indeed, in the process, the gulf fixed by the capitalist division of labour between the intellectual and the worker is narrowed. The problem of overcoming that gulf must be high on the agenda of any discussion about the future development of cadres in the workers' control movement. It should be obvious that after five years of development and expansion, that it cannot be overcome by any narrowing of the debate on the issues themselves, or by establishing a rigid orthodoxy for the cadres.

At the end of the first phase then, a general strategy of transitional demands existed, alongside other tendencies, and an important start had been made in specific research and programme building in one or two industries. Notably steel, docks and road transport. The demand for opening of the books had been taken up by the seamen during their national strike in a genuinely mass campaign.

The second phase of the movement, from 1966-68, was characterised by more intensive programme building, by responses from the official labour organisations, (e.g. The Labour Party's Report on Industrial Democracy) by the widening of the working class base, and by an attempt, (not wholly related to the needs of the workers' control movement) to build an organisational structure to link the various activities together. At the end of this phase 500 delegates were assembled at the 1968 Nottingham conference, it was quite clear that a more structured organisation was necessary to continue the expansion of the movement. This point had really been indicated by the 1967 conference, when Bill Jones, a London Busman and lay member of the TUC General Council, took the chair, and there was the first appearance of Hugh Scanlon - then campaigning for the AEF Presidency, - brought together significant forces from the left-wing of the trade union leadership, and also rank and file militants from transport, engineering and vehicle production, who recognised that the movement was serious, and was attempting to base itself on an appreciation of their problems. These problems were in themselves of course, becoming more acute in the period of wage freeze and compulsory incomes policy. The Labour Party response - policy document already referred to - was also debated at the 1967 conference, and partly as a result of this, the movement was involved in a debate that still continues on the distinction between participation and control. (The debate on definitions was indeed widened beyond these two terms, since the whole question of self-management in a socialised economy was and is a continuous pre-occupation for us. A cadre force in this field must study this issue in general, theoretical terms, must examine experiences in such countries as Yugoslavia, Algeria, etc., and must use its expertise in its participation in such actual political situations as have developed in e.g. Czechoslovakia). The protagonists of participation do not form, in this debate, a single 'school'. There are at one extreme, the authors and practitioners of a deliberately corporate strategy to be found amongst employers, right-wing academics, and the Labour Government. But there are also genuine reformers, who are motivated by the idealistic version of industrial democracy, and who aim to reform institutions and structures within the existing social framework. Judgement

on the latter category cannot be made a priori, since in certain circumstances they represent a crippling "institutionalisation" of workers' control demands, whilst in others they do create embryonic situations of dual power. In the first category, we might place some of the recently created "productivity committees" set up by joint management-union agreement in factories; in the second, especially at the present time, we should certainly place the joint control exercised by dockers over the system of discipline, hiring and firing, in the Dock Labour Scheme. This example - in the context of a different country - occurred to Ernest Mandel when he wrote:

"Where is the dividing line between "institutionalisation" and dual power? That is the real problem and the real difficulty. It is very hard to advance a foolproof formula. Tentatively I would say that every form of "effective demand" whose realisation is compatible with a more or less "smooth" functioning of the capitalist system, which does not create a situation of explosive crisis... is a situation of "institutionalisation" which should be avoided. At the contrary, every effective demand whose realisation creates a permanent crisis for the system, a situation of permanent conflict, is an embryonic element of dual power.

You might say that this doesn't give you a concrete answer in each and every case - especially where local industries are concerned (one should take into consideration however the great sensitiveness of the employers and the bourgeois state to problems of "principle" and of "bad examples"). You can also say that it becomes a matter of subjective judgement - whether or not a given effective demand could be normally "assimilated" by the system or not. I agree. As in so many other questions, here applies this eternal truth of Marxist dialectics: the real test of knowledge is praxis; the "proof of the pudding is in the eating". It is only in practice that you can find out whether you have campaigned for "dual power", or whether inadvertently you have permitted neo-capitalism to "integrate" a radical group of workers.

But this should not inhibit you in the least. If you don't risk anything and limit yourself to abstract preaching you won't get one inch forward to socialism, under the given conditions. So my advice would be: full speed ahead, while bearing in mind the dangers I tried to underline.

While writing this letter, a good example just comes to my mind. The Antwerp shipyard and dockworkers made a huge conquest some 20 years ago. A definite number of workers

would get a card as "stable workers" under union control, and receive minimum pay, whether there was work for them or not. This demand, born of the experiences of the years 1929-38, would have been revolutionary and "unassimilable" for capitalism under condition of crisis; under conditions of 20 years of nearly uninterrupted 'boom' in the docks, it became undoubtedly a means of corrupting a radical sector of the workers, creating in addition a dangerous division between the "permanently employed" and privileged ones, and the "temporarily employed" who have to go back on the dole each time the jobs are slightly reduced."

The above should in many respects be a key text for any Marxist cadre engaged in practical political work, especially in the field of workers' control. The business of the workers' control campaign is the 'making of puddings, and the subsequent eating of them', in docks, cars, education, communications, etc. etc. However, there are obvious dangers here in two directions, firstly adventurism, which could lead certain groups of workers into untenable positions. Secondly opportunism i. e. deluding oneself into accepting certain situations as being victories, when in fact they are merely participationist assimilation. The dividing line in each case can be very narrow, that is why it is the responsibility of Marxists to both give a lead and to remain with feet firmly planted on the ground of reality.

Before leaving the question of participation, however, it is necessary to describe a third sense in which the term is used. Ernie Roberts was quick to point out (at the 1967 Conference) that workers themselves may demand 'participation'; but they may well mean by that word something much closer to what we mean by control than what the employers and Government mean by participation.

An argument parallel to this question of control or participation arose in the context of the 1967 conference, and was resumed in a slightly different setting in 1968. This was the question of the efficacy of pursuing demands for legislative reform through parliament. Here again, it would be wrong to adopt a dogmatic anti-parliamentary position; gains which feed the appetite for, and consciousness of, control, may be adopted in certain critical circumstances by a bourgeois legislature. Just as the conscious revolutionary forces may make mistakes in the direction of "assimilation" so may hard-pressed governments, looking for concessions err in the opposite direction. And we should bear in mind that reforms at one moment are on one side of the dividing line, yet fall on the other in different circumstances. Who, for instance, would have called one man one vote a revolutionary demand before the



events in Northern Ireland over the last eighteen months? It would have been dismissed as a reformist demand, yet it (and other similar demands) sparked off a situation which had elements of a pre-revolutionary situation within it. When the Derry workers drove the police out of Bogside, that was not a reformist move. However, it remains axiomatic that the major break through will most probably occur in industrial struggle, and our problem here is to make the transition from propagandist activity, or an educational role, to the work of initiation. That problem is most intimately connected with an earlier point - that our cadre building must solve the division between workers and 'politicos'. Our cadre must contain the worker militant leaders at the very core of its structure or it will fail. When that is achieved the solution to the propaganda - action dichotomy will probably follow. Yet perhaps this is a little too mechanistic; we should recognise that action for workers' control demands can and probably will occur at any time, before any neat solution to this problem is found (GEC-EE Merseyside). We should not underestimate the degree to which workers' control is already a part of the conscious programme in several key industries.

So much for the second stage of development and its principle controversies. Of course we should expect that newly recruited activists and whole sectors will continue to work their way through these phases anew; no one will come to the workers' control movement fully appraised and conscious of this development. However, as the process takes place we may perhaps expect the transitions to be more rapid, as the movement learns to assimilate new groups of workers.

The third stage of development was marked by the conferences of 1968 and 1969, and the formation and work of the Institute of Workers' Control. It is not difficult to identify a qualitative change in the movement, as a result of these events and developments. The numbers participating at the conferences, the increased representation of the industrial trade union rank and file, the greatly expanded range of publication, all point to this change.

As the movement has grown in size and significance, it has attracted the attention of the left political groups. Some of them are wholly negative in their attitude, yet as organised forces, they may find it possible to achieve some presence and exercise a divisive influence. It is now necessary to co-ordinate the thinking and the work of all those whose positive attitudes to the movement includes a determination to protect it from such ultra-left forays, and also protect the movement from the place seekers who wish to have some of the glamour

of 'leftism' cast about them without in reality being committed. Neither of these tasks will be carried out by bans and prescriptions, but only by open and honest debate and discussion. But this debate must not be one sided. The Lawrence Daly's of this world must be told that the workers' control campaign is not a vehicle for their own advancement.

No ready made group at present has lived through this whole building process. It is therefore necessary to construct a Marxist cadre which is flexible enough, yet also committed enough, to carry the movement beyond its propagandist role into its activist one. This process must be a dialectical one, the present workers' control movement will run into the sands of opportunism or ultra-leftism if no viable Marxist cadre is formed within it, conversely no Marxist cadre can be created unless it participates in the building of this movement. Workers' Control is not just another campaign, it is central to the thinking of creative Marxists, those who are deeply committed to a vision of society that is self-managed.

We are now about to enter a new phase of industrial struggles, as we have seen by the wave of militancy over the last six months or so. One of the big questions looming ahead (indeed is here now) is that of productivity bargaining. The left must have an answer that is more than mere rejection, for at the heart of productivity bargaining is the question of power, and this is what the workers' control campaign is also about.

---

## ***Radical America***

SURREALISM, 1970: Current American surrealists on US culture and literature, plus writings from Artaud, Breton, Crevel, Calas, Peret, Carrington, Mabille, etc.

WOMEN'S LIBERATION: articles on Women in the Movement, Company Kindergartens, Women's Struggle in American Radical History, The Disintegration of the Family, Women's Union Activism, and an extensive annotated bibliography.

75¢ for each, or \$1.25 for both with this ad (by mail only).  
Sub: \$5/10 issues (one year).

1237 Spaight St., Madison, WI 53703.

A \$10 subscription includes all RA Pamphlets, the semi-annual Marxist philosophical journal *Telos*, and other selected issues of small press magazines (surrealism, poetry left politics, etc).

---

# Self-Management in High Schools in France - May 1968

## . . . . a personal experience

Nicolas Baby

"... self-management, this crazy slogan..."  
C. SEGUY, general secretary of the CGGT...

This slogan saw the light of day in May 1968 for two major reasons. First the CGT could not afford not to take a position on it -- the idea of self-management was undeniably "in the air". Certain student and above all worker experiences leave absolutely no doubt on that: the Brest CSF factory where the works produced walkie-talkies and transistors for the strikers and in the Sud Aviation factory in Nantes which was run and operated by the workers themselves under a workers council in which union and non-unionised workers all took part.

The second reason is quite different: if the CGT general secretary could so drily condemn the passage to the active strike from the passive strike, to the self-management strike, it was due to the fact that for a number of workers -- even very advanced workers -- the slogan was still something empty, "crazy".

This is mainly due to the fact that the slogan of self-management has been for a long time the slogan of the anarchist movement. For the French workers movement, the anarchists have been people who have never intervened in the mass movement. They were rigorously condemned by the leaders of the October Revolution and earlier by Marx himself. Finally the ideas of spontaneity common to anarchists of all tendencies (for whom self-management could perhaps be characterised as 'No bosses or leaders, on then to self-management') shocks the sense of organisation that workers almost automatically acquire.

Finally, it is true that neither the collectivist-anarchists nor other revolutionary currents did much to advance self-management, not only as a prefiguration of socialism as a means to fight against the extreme bureaucratisation of society, but also as a slogan for action.

The failure of the anarchists to understand the principle of transition, the fact that they artificially mix up one and the other -- the slogans of a general type for socialism and the immediate demands without making the link between the two, leads them to make self-management a vague idea, to take concrete shape in the far-distant future. "Politics of wages and the Bomb" well sums up their position.

But recently new generations of revolutionaries in Europe have gone much further in their practice on this question.

In this article, I will give only a single example: the French high school students movement and the way we have been led -- starting from an abstract concept of this ideal -- to re-examine our positions critically to refine them and finally to pass into the fire of practice.

### THE C. A. L.'s.

It must be first of all stated that throughout this year the CAL's (Lyceen Action Committees) have most often formed the most dynamic (and politically the most rational) sector of the student movement.

I will give a significant example of this: at the beginning of the university year 1968-69 there were around one hundred high school students excluded because of political views in different lycees. ALL WITHOUT EXCEPTION HAVE BEEN REINTEGRATED IN THE SCHOOLS AFTER LOCAL STRUGGLES. On the other hand, when the university movement faced a similar situation, it was unable to reply in a united and firm way to the repression. Quite often the agitation in the lycees covered the front pages of the newspapers, while the universities featured much less. (1)

The Henri IV Lycee played a special role in the high school movement. It is considered the "hard core" of the movement. For some time, not only has the Henri IV CAL been considered the vanguard, not only is it the only high school which this year has been able to rally 500 to 550 students on strike (there are 600 students at Henri IV) but even more in the internal debates in the CALs, the militants of this Lycee have shown a particularly high political level -- the opinions advanced by Henri IV still have a big import.

### THE EXPERIENCE IN HENRI IV LYCEE

In May 1968 all educational establishments were occupied by their students. At the beginning the occupation of Henri IV

took place normally: commissions met throughout the day on Cuba, workers struggles, pedagogic questions, the nature of the Lycee, etc.

But from June 1 things changed radically. The previous evening during a discussion in the pedagogic commission, the idea of transforming the passive strike into an active one and to run the Lycee ourselves was voted by a crushing majority.

Throughout the night, we feverishly organised things as follows. It was clear that there were two sorts of person who had occupied the lycee -- one a core of forty, the others some hundreds of students and parents who simply attended the meetings of the different commissions.

The core group therefore took up several tasks. They divided into work groups: one organised security and self-defence of the lycee against the fascists and police, others the educational self-management of the lycee, other with cleaning services, others with the canteen (they went to the markets in the morning to buy food, controlled the kitchen and financial questions, as well as the menu which was a problem...).

Each morning a General Assembly met attended by all the students (although we met in the middle of the general strike, without transport, there were often 400-450 present, some teachers and several dozen parents). The "Council", elected by this Assembly, was subject to immediate recall and had to report daily on the management of the lycee, to put forward suggestions for the future, etc.

The day was then organised in the following way: in the morning, General Assembly and lessons, in the afternoon and evening, sport and cultural activities (we had theatre groups, students put on plays by Pirandello, extracts from Brecht...).

For the lessons themselves, we changed the stratification in a horizontal manner into a vertical one. Previously the classes had averaged 40 to 45 .. we now set a maximum of 10 to 15 a group. The horizontal stratification meant that students of 15 or 16 never saw older students of 17 or 18. We mixed second and third forms (13 to 16) and first and terminal (between 16 and 18). The more advanced students in the first group went into the second and the more backward vice versa into the first.

#### THE LESSONS IN THE SELF-MANAGED LYCEE

These changes (which were not simply technical at all)

operated on the basis of major principles being established (education must be based on criticism; without interest in the student there is only a caricature of education; mixing different grades at the Lycee; "deparcellisation" of education - i. e. end to artificial subject division and division from society). We thus began our experience in self-management.

Each morning (around three hours of work) was devoted to the single and the same question. Thus we had the time to:

- hear a talk on the question, given by a student particularly well versed in the question, or by a "specialist" (teacher, economist, journalist) invited by a work group beforehand.
- to then hold a critical debate in which everyone gives his viewpoint (and from this point on the "specialist" plays no more important a role than anyone else).

finally to duplicate off copies of what we have said for the benefit of other work-groups.

#### CHANGES IN SUBJECTS STUDIED

Finally, we have modified radically what we have studied:

introduction of new matters previously not studied in the Lycees: sociology, economics, psychoanalysis, sex education, etc.

- suppression of taboos on study of Hegel and Marx in Philos - the study of de Sade in French, the workers movement in History, contemporary music and jazz in Music.
- there were other innovations: for example, fusion of History and Geography so that the study of the latter is no more static and dated; the study of contemporary phenomenon (for example, the invitation to a unionist; invitation to a journalist to debate the war in Algeria and independence, the Boumedienne putsch...).

If to all that is added the atmosphere of enthusiasm and fervour, of hope belonging to all revolutionary crises and the spirit of seriousness and organisation, which was astonishing, you get an idea of what was "the experience of educational self-management at the Henri IV lycee."

#### SOME REFLECTIONS ON THIS EXPERIENCE

After the retreat of the revolutionary upsurge, we were

forced to also retreat and abandon our experience. On the other hand, the internal debates in the CALs, were always very lively, have forced us to deepen our viewpoint on the "alternative university model", as well as on the slogans to be put forward in this period of pause for the French revolutionary movement.

It would take too long and be too fastidious to go through all the debates in which we have been opposed to the sectarians and dogmatists of all gender, or even to outline all the different phases through which we ourselves have passed before we reached the following conclusions, after two years of union practice in the high school milieu.

### ON THE "MODEL"

We said at the beginning of the Revolution that the goal of militants should not only be simple workers' control over the university, nor simply a self-managed university in which the life shall be regulated by a staff-student council. What we wanted in the more or less long term, was the fusion of units of production and units of education. The creation of self-managed units being both schools and factories, is what we want. There rests, we believe, the only way to prevent the university being an institution cut off from social life and forming an elite in the country, and the only way to break the division between intellectual and manual work.

As for the slogans we put forward, it is now impossible for us to put forward such a slogan to mobilise the masses, For not only could this concept not be realised until well after the Revolution and cannot therefore take concrete form until a relatively distant date, but it is moreover incomprehensible at the present time to the masses. Our role is therefore to ensure that the high school students fight around questions which affect them, to have their political consciousness raised through their own experience and not through abstract propaganda.

To do that, we must start from the university and high school field.

We have therefore put forward the slogan of student control over school life as the fundamental basis of our struggle.

We demand that the lycee General Assembly be able to:

- manage the political and cultural activities of the Lycee (theatre, cinema club) without any restrictions.

- have the right of veto on the financial management of the lycee ("open the books"...),
- participate in drawing up a timetable,
- in liaison with the teachers, organise the pedagogic life of the lycee without any interference from the administration.

Parallel with this, we demand a control by the unions over employment and education in general.

Thus, in fighting for these demands, which are easily understood, and through struggle, they will themselves understand the need to go beyond the positions they have upheld until then and go to more radical demands. Only through their own experiences and particularly in May 1968 when the mass awareness went ahead by leaps and bounds fantastically in a short period of time, will the students understand the need to get out of the purely institutional framework to intervene directly in social struggles, to seek a juncture with the proletariat for the destruction of the State apparatus.

The task is to go from the contesting of the university to that of society as a whole.

The conclusions now are clear: militants must give concrete content to self-management, to say "That is the type of society we want to build. That is what we are fighting for."

Between the demand for bread and the Revolution, there is a link. It is for us to show it...

- (1) This agitation culminated in the affair at Louis-le-Grand Lycee when on May 2, 1969 a group of fascists entered the lycee beat up students and threw a grenade. That ripped off the hand of one of our comrades. Another lost his eye. Most believe that the fascist commando benefitted from police complicity. Teachers at the school are firmly of this opinion.



# The Law of Value in relation to Self-Management and Investment in the Economy of the Workers States \*

Ernest Germain

The Cuban magazine *Nuestra Industria - Revista Economica*, organ of the Ministry of Industry, published two polemical articles in issue No. 3 (October, 1963) of great interest, one written by Ernesto Che Guevara and the other by Comandante Alberto Mora, Minister of Foreign Trade. This polemic testifies to the vitality of the Cuban Revolution in the field of Marxist theory, too. It deals with a number of questions of the utmost importance in the construction of a socialist economy: role of the law of value in the economy during the epoch of transition; autonomy of enterprises and self-management; investments through the budget or by means of self-investment, etc. Involved in these issues is the problem of the ideal model for the economy in the epoch of transition from an underdeveloped country, a problem of absorbing interest to the Bolsheviks during the 1923-28 period and which arose again, even if on a rather low theoretical level, in Yugoslavia, Poland and even in the Soviet Union in recent years.

## THE LAW OF VALUE IN THE ECONOMY DURING THE EPOCH OF TRANSITION

The question of the "application" of the theory of value in the planned and socialized economy of the epoch of transition has been subjected to the worst confusion, mainly because Stalin, in his last work, posed it in a both gross and simplistic way: "Does the law of value exist (sic) and does it apply in our country? . . . Yes, it exists there and it applies there." This is an evident truism. To the extent that exchange occurs, commodity production survives, and exchange is thereby objectively governed by the law of value. The latter cannot disappear until commodity production withers away; that is, with the production of an abundance of goods and services.

\* First published in Fourth International No. 18.

But this does not answer the concrete question around which turns the fundamental discussion begun in 1924-25 between Preobrazhensky and Bukharin and which has continued to develop, with ups and downs, among Marxist economists and theoreticians up to now: to what exact degree and in what sphere does the law of value apply in the economy during the epoch of transition?

Stalin himself, while muddling the problem, had to admit a fact which the Khrushchevist economists are nevertheless beginning to bring into question; namely, that in the "socialist" economy, the law of labour-value cannot be the regulator of production, that is, cannot determine investments.

In developed capitalist economy, the law of value determines production through the play of the rate of profit. Capital flows toward the sectors where the rate of profit is above the average and production increases there. Capital recedes from the sectors where the rate of profit is below the average, and production decreases there (at least relatively). When the means of production are nationalized, so that there is neither a market for capital nor its free entry and withdrawal, nor even the formation of an average rate of profit with which the rate of each particular branch can be compared, clearly there is no longer a possibility for the "law of value" to be directly the "regulator of production".

If in an underdeveloped country which has carried out its socialist revolution the "law of value" were to regulate investments, these would flow preferentially toward the sectors where profitability is the highest in relation to prices on the world market. But it is precisely because these prices determine a concentration of investments in the production of raw materials that these countries are underdeveloped. To escape from underdevelopment, to industrialize the country, means to deliberately orient investments toward the sectors that are least "profitable" for the time-being according to the law of value, but more profitable according to the criterion of the long-term economic and social development of the country as a whole. When it is said that the monopoly of foreign trade is indispensable for industrializing the under-developed countries this means precisely that it cannot be accomplished until these countries are able to "pull the teeth" of the law of value.

But perhaps this qualification applies only to the "law of value on the world market"? Cannot the law of value at least alter investments on the national scale, once world prices are left aside? This is wrong again. The industrialization of an

underdeveloped country cannot be carried out rapidly and harmoniously except by deliberately violating the law of value.

In an underdeveloped country, and precisely because of its underdevelopment, agriculture tends from the beginning to be more "profitable" than industry, handicrafts and small industry more "profitable" than big industry, light industry more "profitable" than heavy industry, the private sector more "profitable" than the nationalized sector. To channel investments according to the "law of value", that is, according to the law of supply and demand of commodities produced by different branches of the economy, would imply developing monoculture for the export trade by priority; it would imply preferential construction of small shops for the local market rather than steel plants for the national market. The construction of comfortable lodgings for the petty-bourgeois or bureaucratic layers (an investment corresponding to "effective demand") would have priority over the construction of low-cost homes for the people which clearly must be subsidized. In short all the economic and social evils of underdevelopment would be reproduced despite the victory of the revolution.

In reality, the decisive meaning of this victory, of the nationalization of the means of industrial production, of credit, of the transportation system and foreign trade (together with the monopoly of the latter), is precisely to create the conditions for a process of industrialization that escapes from the logic of the law of value. Economic, social and political priorities, consciously and democratically chosen, take the lead over the law of value in order to lay out the successive stages of industrialization. Priority is placed not on immediate maximum returns, but on the suppression of rural unemployment, the reduction of technological backwardness, the suppression of the foreign grip on the national economy, the guarantee of the rapid social and cultural rise of the masses of workers and poor peasants, the rapid suppression of epidemics and endemic diseases, etc., etc.

That is why the industrialization of the workers states follows a different road from that of the capitalist countries where industries are built beginning with the sectors that will most easily satisfy "effective demand".

To violate the law of value is one thing; to disregard it is something else again. The economy of a workers state can disregard the law of value only at the price of losses to the economy which could be avoided, of useless sacrifices imposed on the masses, as we shall later demonstrate.

What does this mean? In the first place, that the whole economy must be carried on within the framework of a strict calculation of the real costs of production. These costs will not determine investments; these will not automatically go toward "the least costly" projects. But to know the costs means to know the exact amount of subsidies which the collectivity grants the sectors which it has decided to develop by priority. In the second place, that it is necessary to have a stable yardstick for these calculations; without stable money, no rigorous planning. In the third place, that all sectors where economic or social priorities do not dictate any preference are to be actually guided by the "law of value", (for example, different crops aiming at the domestic market). In the fourth place, so long as the means of consumption remain commodities, and aside from the commodities and services deliberately subsidized or distributed free by the state (pharmaceutical products, school and training materials, books, etc.), the preferences of the consumers will freely operate on the market the law of supply and demand will affect prices, and the plan will adapt its projected investments to these oscillations (within the limits of what is available in finances, equipment, raw materials, etc.).

In the light of these initial remarks we can consider the importance of the two problems raised in the Guevara-Mora polemic: What is value? Are means of production commodities in the transitional epoch? Mora affirms that value is not essentially abstract human labour; that it is "a relation existing between the limited disposable resources and the growing needs of man." (p.15). Still better: he holds that value is a "category created by man under certain conditions and for certain(!) ends." (p.15).

It is clear that we are faced here with a subjective deformation of the Marxist concept of labour-value, of which Marx specified the essence to be abstract human labour. It is not by chance that Mora refers to the "neo-Marxist" Soviet economists (2), who have been attacked, in the USSR itself, and rightly so, as wanting to introduce surreptitiously the marginal theory of value. His conception, according to which the "law of value is the economic criterion for regulating production" in the epoch of transition (p.17) - while he affirms that it is not the only regulator - necessarily involves the notion according to which "exchange of the means of production" occurs even when these are completely nationalized, that "sale of commodities" occurs even when these means of production pass from one nationalized enterprise to another, and that the "contradictions" between the state enterprises justify the assertion that a "change in ownership" occurs at the time of these exchanges (p.19). All these affirmations are contrary to the reality and to Marxist theory.

On all these questions, Che Guevara is entirely right against Mora.

Mora states that if in investments, one leaves aside the law of value, one must pay "the price"; in doing this, you automatically limit the social resources available to satisfy other needs. This is true, and we, likewise, underline the necessity for strict calculation of production costs in all fields. But in limiting oneself to this economic truth, the social content of the epoch of transition is done away with; that is, in abstracting from the class struggle, Mora leaves out a whole important side of the problem.

In fact, it is impossible to operate in the economy of the epoch of transition - any more than in any other economy containing different social classes - with aggregates like "social revenue", "social costs", "social price of investments", without at the same time posing the question, "Who is to pay this price to whom?"

The society of the epoch of the transition from capitalism to socialism is not homogeneous. In conducting an appropriate policy of investments, of prices, wages, foreign trade, etc., the workers state can act in such a way that the social benefits of priority investments (numerical reinforcement of the working class; elevation of its standard of living, skill, culture and consciousness; reinforcement of its leading role in the state and economy; accentuation of its participation in political life, etc., etc.) are paid economically by other social classes: the residue of the former owning classes; imperialism; the small commercial entrepreneurs and independent peasants. In an expanding economy, this economic price, paid particularly by the merchants, artisans and independent peasants can moreover be accompanied by a rise in their standard of living, on condition that this rise is less than it would have been in the framework of the "free play of the law of value" (thanks, for example, to a progressive income tax). (3)

## THE LAW OF VALUE AND FOREIGN TRADE

All the preceding evidently constitutes only a general framework for replying to the specific problems which the question of economic calculation and the orientation of investments raises in each particular workers state. Here Mora is right when he stresses (p. 18) that in a small country like Cuba, which depends strictly on foreign trade for the current functioning of its industry (spare parts and raw materials) and for the equipment of its new enterprises, the necessity for rigorous economic calculation is imposed with all the more reason

than in a big, largely autarchic country like the Soviet Union.

Exports are made according to prices on the world market. So that these will not constitute a constant drain on the national economy (they must be met in any case in order to keep industry and industrialization going through imports), it is necessary that the production costs of exported goods should as a whole be below the prices obtained on the world market. It is necessary to fix the objective on progressively suppressing all exports at a loss, so that exports are not only a means of supplying the national economy but in addition an important source of accumulation, a means of defraying part of the expense of industrialization - a part of the costs of not observing the law of value on the national market! - from abroad. The tendency for current prices of sugar to rise on the world market creates, moreover, a favourable framework for the success of such a policy. The progressive diversification of exports, to render the Cuban economy independent of future fluctuations of current sugar prices on the world market, must point to the selection of other export products where production costs remain below the prices obtained abroad (that is, average prices on the world market).

But Mora makes up the need to carry out all these calculations in the most strict way with the extension of the field of application of the law of value in the Cuban economy. The two phenomena are not identical; they can even be directly contradictory.

The law of value determines the exchange value of commodities according to the quantity of labour socially necessary to produce them. The concept of "socially necessary" labour is determined in turn by the average level of the productivity of labour in a country, and by the concept of the effective demand of society - which must never be confounded with human needs or social needs from an objective point of view. In an underdeveloped country like Cuba, all production of many industrial branches can correspond to an "effective demand", that is, all labour in these branches can appear as "socially necessary", despite a very low level of productivity. The reference to the law of value, far from thereby resolving the problem of rapid improvement in the productivity of labour, of the technological transformations which these industries must undergo, can only obscure it. Because the law of value will have a tendency to keep alive archaic enterprises, as long as the state of scarcity exists, from the moment there ceases to be free movement of capital and free imports of commodities which could stimulate competition with these enterprises.

Far from being a field of application of the law of value, the dependence of Cuba on foreign trade thus implies the necessity of economic calculation of comparative international costs, which could provide a choice of economic criteria, independently of any rigid "law". The necessity to assure the country's supply of spare parts and raw materials imposes a certain volume of exports, even if these are carried out at a loss. The necessity to maintain and to develop the existing level of industries dependent on foreign supplies imposes searching, as quickly as possible, for profitable exports in relation to prices on the world market - even if this means switching investments toward branches that are already profitable in relation to the national market (branches that already sell their commodities at their exchange value). The possibility of exporting at a profit, of gaining supplementary resources from exports, of transforming trade into a constant source of socialist accumulation, will moreover permit just the liberation of the economy from the tyranny of the "law of value", that is will permit the development of new industries despite the fact that their production costs at the beginning will be higher than the prices of imported products, without lowering the standard of living or the rate of accumulation in the country. This is an aspect of the real dialectics of the dependence on foreign trade and the play of the law of value that is decidedly more complex than Comrade Mora thought!

#### THE LAW OF VALUE AND AUTONOMY OF DECISION AT THE ENTERPRISE LEVEL

In the debate which has raged in some of the workers states, the problem of the area of application of the law of value is intimately linked with the problem of autonomy of decision at the enterprise level in the field of investment. The Yugoslav authors have even formulated with regard to this a veritable new dogma which requires critical analysis: "Without the right of the self-management collectives to dispose of a considerable part of the social surplus product, no genuine self management." (4) This analysis must examine the problem from two aspects: economic efficiency (criteria for choosing one investment project rather than another), social and political efficiency (success in the struggle against the bureaucracy and bureaucratization).

The more backward a country is, the more conditions of almost universal scarcity rule not only in the means of production sector but also for much of the industrial means of consumption (at least for the great majority of the population), and the more detrimental the practice of self investment is, the more detrimental is it to permit the self-management

collectives to determine for themselves the projects for priority of productive investments.

It is evident in fact that under conditions of almost general scarcity of industrial commodities, almost all the investment projects can be economically profitable, no matter how gross the economic errors that are committed. Almost every profitable industrial or agricultural enterprise (providing funds for investment) is like an island in a sea of unsatisfied needs. The natural tendency of self-investment is therefore to attend to what is most pressing, both locally and in each sector.

In other words: if the self-management enterprises hold large funds for self-investment, they will have a tendency to orient their investments either toward the commodities which they lack the most (certain equipment goods; raw materials; auxiliary products: emergency sources of energy), or toward the commodities which their workers or the inhabitants of the area lack the most. Thus criteria of local or sector interest are placed above national interests, not because the law of value is "denied" but precisely because it is applied! This means, once more, to orient industrialization toward the "traditional road" which it followed in the historic framework of capitalism, in place of reorienting it according to the requirements of a nationally planned economy.

An attempt can be made to reconcile national planning requirements and allocating self-managed enterprises considerable funds for self-investment. The means chosen for this aim can be a levy-tax in behalf of national development funds and equalization funds for regional development. This is evidently a step in the right direction, but it does not at all resolve the problem.

Since an underdeveloped economy is characterised precisely by the fact that the enterprises of high productivity are still the exception and not the rule, it is sufficient to leave them a part of their net surplus product and the inequality of development between the industrialized localities and the non-industrialized localities, the inequality of development and of revenue between the archaic enterprises which enjoy only an average level of productivity and the enterprises technologically "up to date" will increase instead of diminishing. It is necessary moreover to insist on this fundamental idea of Marxism: any economic freedom, any "autonomy of decision" and any "spontaneity" increases the inequality so long as there exist side by side strong and feeble enterprises or individuals, rich and poor, favoured and unfavoured from the point of view of location, etc. This is the reason why, it should be noted



in passing, that according to Marx the mechanism of the law of value leads to its own negation, competition inevitably ends in monopoly.

The economic logic of a planned economy therefore speaks completely in favour of productive investment by budgetary means at least for all the big enterprises. What must be left to the enterprises is an amortization fund sufficiently large to permit modernization of equipment with each renewal of fixed equipment (gross investment). But all net investments should be made in accordance with the plan, in the branches and places chosen according to preferential criteria selected for the society and its economy as a whole. In this respect, too, the thesis of Comrade Guevara is correct.

The problem has been obscured, above all in the USSR, through associating it with the problem of heightening the material incentives in enterprises. Numerous Soviet economists have criticized the stimulants still employed today in the economy of the USSR to incite the enterprises (?) to carry out the plans. This criticism is in general pertinent. It has but to repeat what anti-Stalinist Marxists have said critically for many years. Yet it is only necessary to examine closely the arguments of these economists to see that what is involved in reality is heightening material incentives for the bureaucracy for whom the growth of revenues must in some way be the essential stimulus for the expansion of production in the enterprises.

This is where certain partisans of self-management, particularly in Yugoslavia, maintain that decentralization of the decisions on investment would be a powerful guarantee against bureaucratization. This thesis is based on a fallacy. The Yugoslavs are right in stressing that the power of the bureaucracy grows in relation to its freedom in disposing of the social surplus product. But the technicians and economists of the planning commission "dispose" of the surplus product only in the form of figures on paper; the real power of disposal is situated at the level of the enterprise. (5) The more that means other than consumption funds (distributed revenues and social investments) are left at the free disposal of the enterprises, the more is precisely bureaucratization stimulated, at least in a climate of generalised scarcity and poverty; also the greater the temptation becomes for corruption, theft, abuse of confidence, false entries - temptations that do not exist at the level of the planning commission, if only because of multiple checks. The concrete experience of Yugoslav "decentralization" has shown, moreover, that it is an enormous source of inequality and bureaucratization at the level of the enterprises.

But doesn't the possibility of complete centralization of the means of investment at the state level create the danger of the economic policy as a whole favouring the bureaucracy, as was the case in Stalinist Russia? Obviously. But then the cause does not reside in the centralization itself, it lies in the absence of workers democracy on the national political level. (6) This means that a genuine guarantee against bureaucratization depends on workers management at the enterprise level and workers democracy at the state level. Without this combination, even the autonomy of the enterprises will eliminate none of the authoritarian, bureaucratic and (often) erroneous character of economic decisions made at the government level of the plan. With this combination, the centralization of investments - priorities being democratically established, for example through a national congress of workers councils - would not encourage bureaucratization, but on the contrary suppress one of its principle sources.

## THE LAW OF VALUE AND SELF-MANAGEMENT

"Heightening material incentives" in the enterprises cannot be a "stimulant" in the question of investments. But "heightening material incentives" in the self-management collectives can actually stimulate continual growth of production and productivity among the enterprises.

Certainly, under a regime of genuine socialist democracy, creative enthusiasm, the free development of all the capacities of invention and organisation of the proletariat, constitute a powerful motor for the growth of production. But it would be a grave idealist and voluntarist error to suppose that in a climate of poverty - inevitable in an underdeveloped country immediately following the victory of the socialist revolution - this enthusiasm could last long without a sufficient material sub-structure.

The example of the Soviet Union, where the proletariat gave proof of an enthusiasm and spirit of self-sacrifice without parallel in the first years after the October Revolution, is instructive in this respect: a long period of deprivation ended inevitably in mounting passivity of the workers, daily material concerns taking precedence over attentiveness to meetings.

It is therefore imperative to link self-management to the possibility for the workers to immediately judge the success of each effort at increasing production by the elevation of their standard of living. The simplest and most transparent technique is that of distributing a part of the net revenue of the enterprise among the workers in the form of one or more

months of bonus wages, the amount increasing or diminishing automatically with the level of revenue. The increasing collective material interest of the workers in the management of the enterprises moreover is superior to piece wages, inasmuch as it does not introduce division and conflicts in the workers collectivity, inasmuch as it corresponds better to contemporary technique, which places less and less importance on individual output and more and more importance on the rational organisation of labour.

Self-management (and not mere workers control) seems to be the ideal model for organising socialist enterprises. But it by no means hinders more or less unlimited competition among the enterprises, which flows from their autonomy in the domain of prices and investments. This autonomy cannot but reproduce a series of evils inherent to the capitalist regime: monopoly positions exploited in the formation of prices and revenues; efforts to defend these monopolies by "hiding" discoveries and technical improvements; waste and duplication in the field of investments; high cost of errors in decision, revealed a posteriori on the market (including the shutting down of enterprises); reappearance of unemployment, etc. etc. Useless and detrimental from the economic point of view, it by no means constitutes a sufficient guarantee against bureaucratization, as we have indicated above.

In this connection, the polemic of Lenin and Trotsky against the theses of the "Workers Opposition" is still completely valid. Marxism is not to be confused with the doctrine of anarcho-syndicalism. The genuine guarantee of workers power lies on the political level; it is on the state level that it must be established; any other solution is utopian; that is unworkable in the long run and a source for the reappearance of a powerful bureaucracy.

For all these reasons, self-management does not at all imply wider recourse to the "law of value" in relation to centralised planning. (7) The fundamental data of the problem remain the same. It is necessary to carry out strict calculations of production costs to show in the case of each commodity whether its production has been subsidized or not. But nothing calls for the conclusion that prices must be "determined by the law of value", that is, by the law of supply and demand. If such a conclusion still has some meaning with regard to the means of consumption, it is senseless for the means of production which, we repeat, are not commodities, at least in the great majority of cases. And even means of production which are still commodities - those produced by the private or co-operative sector for delivery to the state, and which the state furnishes

to private enterprises or co-operatives - cannot be "sold at their value" without encouraging under certain conditions private primitive accumulation at the expense of socialist accumulation. But, if the means of production are not sold "at their value", the "value" of the means of consumption is itself profoundly modified.

Prices are, then, instruments of socialist planning and cannot be anything else in the epoch of the transition from capitalism to socialism. If you say instrument of planning you likewise say instrument for determining the distribution of the national revenue between consumption and investment, an instrument for determining the distribution of revenues among the different classes and layers of the nation. To leave the determination of this distribution to the "law of value", is to leave it in the final analysis to the "laws of the market", to the "law of supply and demand", that is, to economic automatism. And economic automatism would rapidly take us back to an economy of the semi-colonial type.

But to say that prices cannot be determined by the law of value, does not at all signify that they can be independent of the latter. Society can never distribute more values than it has created without progressively destroying its accumulated wealth and impoverishing itself increasingly in the absolute sense of the term. The total sum of prices must therefore be equal to the total sum of value of the commodities produced (granting that there has been no monetary depreciation!). The distribution of certain products - in goods or vouchers - below their value (subsidies!) automatically signifies a distribution of other products above their value. Without strict calculation of production costs; without book-keeping aided by an objective criterion; without a kind of double entry system that faithfully registers, for each product, alongside the price fixed by the state the real cost and the subsidy (or the tax), there is not only no possibility for genuine scientific planning, there is above all no stimulus for the fundamental economic dynamic of the epoch of transition - the dynamic that progressively elevates one new branch of industry after another to the point of rendering it "competitive" in relation to prices on the world market, up to the time socialism announces its next triumph when socialist industry as a whole operates with a productivity superior to that of the most advanced capitalist industry.

At the moment, the "law of value" could theoretically govern the dynamic of the workers state (or more exactly: the workers states as an international whole; because it appears excluded that this situation could be first obtained "in a single country"). But at the precise moment when it is on the point of triumphing,

its reason for being disappears. The highest level of productivity attained under capitalism in all its branches cannot be surpassed without approaching such a level of abundance that commodity production withers away. In the workers state of "law of value" cannot channel investments except to the precise degree that it withers away and to the degree that along with it all the economic categories, products of a relative scarcity of material resources, likewise wither away.

#### NOTES

- (1) "Planned economy in the transitional period while founded on the law of value, violates it nevertheless at every step and establishes relations among the different economic branches, and between industry and agriculture in the first place, on the basis of unequal exchange. The state budget plays the role of a lever for forced accumulation and planned distribution. This role must be increased in accordance with the latest economic progress. Credit financing dominates relations between the coercive accumulation of the budget and the fluctuations of the market, insofar as the latter enter in. . . . If the domestic Soviet market is 'freed' and the monopoly of foreign trade suppressed - exchange between the city and the countryside will become much more equal, the accumulation of the village (I refer to the capitalist accumulation of the farmer, the 'kulak') will follow its course, and it will soon be seen that Marx's formulas likewise apply to agriculture. Once on this road, Russia would rapidly become a colony that would serve as the base for the industrial development of other countries." (Leon Trotsky: "Stalin Theoretician." Available in French in Ecrits 1928-40, Tome I, p.106)
- (2) Among others Novochilov, Kantorovitch and Menchinov. This question likewise underlies the famous debate on the possible use of profit as the sole criterion in carrying out the plan. In reality these economists are the spokesmen of the economic bureaucracy, who demand increased rights for the directors of enterprises - particularly the right to freely dispose of a part of the "indivisible funds" (fixed equipment).
- (3) From 1924 to 1927, the Stalinist faction violently accused the Left Opposition - Preobrazhensky in particular - with wanting "to increase the prices of industrial products". Preobrazhensky had simply proposed that industrial products could be sold "above their value" to the

village, which could have been tied in perfectly with a progressive lowering of the sales price in view of the rapid growth of the productivity of labour. But when the Stalinist faction made the turn to accelerated industrialisation, it increased the prices of industrial consumers goods through extremely high indirect taxes. While in 1928, the tax on turnover was not above 17.9% of the real turnover of retail trade, it rose to 78.1% in 1932, and in 1936, the nominal turnover of this trade was 107 billion rubles, of which taxes accounted for 66 billion rubles and the real turnover only 41 billion! (L.H. Hubbard: Trade and Distribution in the Soviet Union).

- (4) Thus Milentiji Popovic, in an article titled "Self-management and Planning". "On the other hand, in the sector of expanded social reproduction, in perfecting the system of investment on the basis of the new relations, our results are less conclusive, although the first steps have been taken in this direction. The establishment of non-administrative relations, of economic relations, in this sphere, reverts quite simply to the establishment of credit-interest (:) relations, and to taking them as the basis.....

"One must first of all counteract the contradiction which arises from the fact that the resources serving social reproduction are deducted exclusively through administrative measures (taxes, duties, contributions) thus leaving free the organization of labour without the latter on the other hand becoming the 'proprietor': the organization of labour evolves, in fact, into a unique system of credit in which these resources are at one and the same time 'theirs' and 'common' (article II).....

It is possible to avoid, on the other hand, having subjective and political considerations as the only ones to be taken into consideration at the time of the adoption of the decisions concerning investments. It goes without saying that this method cannot and must not ever be pushed to its final conclusion. But a system can be constructed in which the political decisions will bear on the general orientation of the political economy while the distribution of the means destined for investment is carried out in accordance with the credit mechanism, according to financial and material (:) criteria fixed with more or less precision. In operating in this way the process of expanded reproduction is likewise depoliticalised". This 'depoliticalization' is not absolute. It is carried out to the degree that bureaucratism must be deprived of its base in this

sphere as in the others." (My emphasis) - Current Questions of Socialism, No. 70, July-Sept. 1963, pp. 67-8.

- 5) This obviously does not apply to cases where raw materials, equipment goods and sometimes even means of consumption are centrally distributed, becoming veritable hotbeds for germinating corrupted bureaucrats.
- 6) "Only the co-ordination of these three elements, state planning, the market and Soviet democracy, can assure correct guidance of the economy of the epoch of transition and assure, not the removal of the imbalances in a few years (this is utopian), but their diminution and by that the simplification of the bases of the dictatorship of the proletariat until the time when new victories of the revolution will widen the arena of socialist planning and reconstruct its system." (Leon Trotsky: "The Soviet Economy in Danger". Available in French in Tome I of Ecrits 1928-1940, p.127).
- 7) Certain Yugoslav authors take quite correct positions in this respect. See for example Dr. Radivoj Uvalic "While the open market can be widely utilized, it cannot be the sole or even the principle regulator of the socio-economic relations of a socialist country." And again: "The importance of the planned guidance of economic development under the conditions of socialism lies first of all in the possibility that is offered of considering profitability from the point of view of the economy as a whole and not from the point of view of each particular unit of the economy. . . . . This is the case in all branches of high concentration of capital (?), such as the production of the means of production and raw materials, which could be never developed sufficiently on the basis of the accidental play of the market, with the rate of profit as the sole stimulate." (In: Socialist Thought and Practice, No. 6 pp 47 and 55).

# Productivity Deals and Workers' Control

Ken Tarbuck

Since the 'prices and incomes policy' of the Labour Government has been a relative failure we have witnessed the growth of the demand by the bosses for 'productivity deals' and this has had the full backing of the present Government.

The question we have to pose here is why the emphasis on such bargains? There are two main answers to this. Firstly - like all of the measures taken over the last six years - it is an attempt to stop the tendency of the rate of profit to decline, or to use the euphemism of the employers 'to reduce labour costs'. Secondly it is a question of power. This is intimately linked with the first aspect, because the underlying reasons behind productivity deals is that since the end of the war in 1945, workers have managed to wrest some degree of control over their wages and conditions of employment, i.e. there has been a decline in managerial control over certain aspects of the work situation. Productivity deals are meant to whittle away the controls established by the workers and once more re-assert full managerial control over the whole productive process.

The demands of the employers of course vary from one plant to another, depending upon which aspect of control they feel to be the most important to re-assert their authority over. In some factories this has taken the form of a drive to introduce Measured Day Work, i.e. the abolition of piece rates. In other situations it has been an attempt to regain control over the allocation of overtime, but above all there is the demand for 'flexibility of labour'. This essentially means that the management can move men or women around at will, and also determine the manning of productive lines. Each case is decided on in an empirical way, the criteria being where do the shop stewards have the most control and then attempting to reduce it.

The employers and the Labour Government have common aims in this drive, Barbara Castle urging on the employers to



push for these sort of deals. However, this spills over into the political arena, because along with productivity deals there have been the attacks on the right to strike, as was witnessed last year in the notorious document "In Place of Strife" (sic). The present Labour Government has done all that it could to assist such deals, particularly in the creation of a post-war record number of unemployed. This is another aspect of productivity deals that has to be taken into account, and that they ultimately help reduce the demand for labour in any given area that they implemented on a large scale. There have been a number of productivity deals agreed to that in the first instance produce no redundancy, but as 'natural wastage' takes place the actual number of workers taken on to replace this declines, so that the net effect is to reduce the demand for labour and reinforce the upward trend in unemployment. Along with this higher unemployment, has gone the attempt to absorb even further the Trade Unions into the state machine and to make them pliant tools of the employers. Also the same thing is being attempted at shop floor level where shop stewards are being drawn into collaboration with the management in the implementation of productivity deals and the 'disciplining' of any workers who kick over the traces.

The response of the trade union movement as a whole as been uneven and fragmented, there has been no cohesive strategy worked out. On one extreme there has been downright opposition but with no counter strategy to them to one of whole hearted welcoming. In between these two extremes there are several stances taken up. The Transport and General Workers Union have a potentially useful approach, in that on paper they put forward the idea that productivity deals should be concluded in such a way as to increase workers take home pay and extend shop stewards control. However, the reality of how this union has operated leaves a great deal to be desired. The T & GWU method could rebound painfully upon its members if this is taken to be a form of conditional support for productivity deals.

The aims of productivity deals are summed very well in Prices and Incomes Board report of 1968 when it said "A change in the method of working is an essential part of any productivity agreement"... "The calculations of management must show that the Total cost per unit of output will be reduced". \* That is very clear and to the point, because in simple language it means that each individual worker must be exploited to a greater degree, that there must be an increase in

\* quoted by Tony Topham, Trade Union Register, Merlin Press 1969.

the surplus value extracted from the worker. Under no conditions can Marxists support such deals under capitalism. It may well be that the individual worker seems to be better off in monetary terms, but this is only so under conditions of speed up, tighter supervision and great effort, the lions share of which will go to the bosses. Furthermore with the rate of inflationary price increases as they are today it means that the extra monetary 'reward' will soon be swallowed up, but leaving the bosses with the gains in reduced costs and greater control over the worker.

What has been the real effect of the prices and incomes policy and productivity bargaining? In 1967 productivity in manufacturing industry rose by 5.9%, average wages by 5.3%, but retail prices rose by 2.5%, thus leaving the workers worse off in real terms than before. In 1968 the corresponding figures were, productivity up by 6.9%, wages 8.1%, prices 5.6%.\* So that once again any gains in monetary terms were considerably reduced. The nett result of the combined policies of the Government and the Employers mean that at the very least the share of wages in the national income has been limited to its previous level, but it is more likely that the nett effect really has been to reduce this proportion.

In essence if trade unions accept productivity bargaining on the terms laid down by the Government and Employers it means that they accept the present division of the national product, and the present distribution of wealth, i.e. they accept status quo in this area. But in fact things do not stand still, the ultimate logic is to increase the share of the national wealth going to property and the capitalist class. What has happened in certain cases where productivity deals have been accepted has been that while the wage rates have increased the actual take home pay has been reduced. This is because there has been a loss of overtime, bonus payments, or piece work.

I mentioned earlier that under certain conditions the introduction of productivity deals has resulted in the reduction of demand for labour, coupled with all the other effects this puts further power into the hands of the employers, because it helps swell the pool of men and women seeking employment, and therefore puts those who are working at a disadvantage because they can feel the pressure of those without work breathing down their necks, and tends to make them more pliable as far as the bosses are concerned.

\* quoted by Tony Topham, Trade Union Register, Merlin Press 1969

There is another aspect of productivity bargaining that has to be considered. This is, that it tends to break down solidarity among the workers. Because productivity bargains are usually negotiated at local or plant level, this gives the employers a further lever. Previously minimum wage rates have been usually negotiated at national level, thus at a minimum level giving some feeling of solidarity. Now with productivity bargaining the employers can take the offensive and attempt to play off one plant or section of workers against another. All the time this process goes on it means a reduction of the small elements of control that workers have fought for in the post war years.

This is why I said that the question of productivity bargaining was a question of power.

What should the workers response be to this developing situation? A straightforward rejection, which stays at that level merely leaves the initiative in the hands of the employers. What is needed is a counter strategy which will take the offensive into the employers camp. The very first demand that any group of workers should make is an opening of the books thus getting the information needed to assess the real potential for wage increases or improvements of conditions. Secondly they should frame their demands in such a manner as will give to the workers an increased share of any new wealth created. Coupled with these measures should be the demand that workers will have the right to veto any changes in conditions that they do not agree with. To carry out such demands means that industry-wide rank and file committees need to be set up to police both the employers and the full time officials of the unions. And since we are in the age of the international firm these committees must co-ordinate their activities with those of workers in the same industry in other countries.

### **Agitprop Information**

47 North Colver Street,  
London NW1,  
387-3402

Agitprop is a non-sectarian information and communications service for the Left, working to build up distribution channels for pamphlets, news and contacts. Our present activities are:

**BULLETINS:** A monthly bulletin with brief notes about new publications, coming events, activities of theatre, film, and pop groups, international contacts, and other information. Subscription: £1/year; Send 1/- stamps acceptable for sample copy.

**LEFT LITERATURE PROGRAMME:** Mail-order, conference bookstalls, and office sales of pamphlets from groups in Britain, North America, and the Continent. Topics include: education, racism, imperialism, women's liberation, Africa, Asia, political economy. Send 1/- for list.

**HOW-TO MANUALS:** silk-screen posters, street theatre, socialist bookstall, local journal, basic research. Send 1/- each plus postage.

**INFORMATION SERVICE:** We maintain files with addresses of organisations, left press, and individuals with specialised skills. For more information, please write or telephone.

# The Factory Council

(Not signed, 5th June, 1920)

Antonio Gramsci

The proletarian revolution is the arbitrary act of an organisation that asserts itself to be revolutionary, or of a system of organisations that assert themselves to be revolutionary. The proletarian revolution is a very long historical process that manifests itself in the rising and developing of specific productive forces (which we summarise by the expression: "proletariat") in a specific historical context (which we summarise by the expression "private property, capitalist production, factory system, organisation of society in a democratic-parliamentary state"). In a specific phase of this process, the new productive forces are not able to develop any more and to organise themselves in an autonomous fashion within the official order of things in which the human community is evolving; in this specific phase the revolutionary act occurs, consisting of an energetic attempt to break up these orders of things violently, to destroy the whole apparatus of economic and political power, in which the revolutionary productive forces were oppressively contained. The revolutionary act also consists of an energetic attempt to break the machinery of the bourgeois state, and to construct a type of state in which the order of things is such that the freed productive forces find the adequate form for their further development, for their further expansion, in which the organisation is such that they find the fortress of strength and the arms that are necessary and sufficient for them to suppress their adversaries.

The actual process of the proletarian revolution cannot be identified with the development and the action of the revolutionary organisations of a voluntary and contractual type such as the political party and the trade unions: organisations which were born within the field of bourgeois democracy,

\* First published in English by the Institute for Workers' Control

which were born within the field of political liberty, as affirmation and as development of political liberty. These organisations, insofar as they embody a doctrine which interprets the revolutionary process and envisages (within certain limits of historical probability) their development, insofar as they are recognised by the broad masses as their reflection and their embryonic apparatus of government, actually are, and more and more become, the direct and responsible agents of successive acts of liberation which the whole working class will try to achieve in the course of the revolutionary process. But all the same they do not embody this process, they do not go beyond the bourgeois state. they do not embrace and cannot embrace the whole multiplicity of growth points of the revolutionary forces which capitalism lets loose as it goes on its implacable way as a machine of exploitation and oppression.

In the period of the economic and political predominance of the bourgeois class the actual unfolding of the revolutionary process takes place sub-terraneously, in the obscurity of the factory and in the obscurity of the consciousness of countless multitudes that capitalism subjects to its laws: it is not controllable and documentable; it will be so in the future when the elements that constitute it (the feelings, the desires, the habits, the germs of initiative and of habit) shall have been developed and purified with the development of society, with the development of the situation that the working class comes to occupy in the field of production. The revolutionary organisations (the political party and the trade union) are born in the field of political liberty, in the field of bourgeois democracy, as an affirmation and development of liberty and of democracy in general, in a field in which the relationships of citizen to citizen subsist: the revolutionary process comes about in the field of production, in the factory, where the relations are those of oppressor to oppressed, of exploiter to exploited, where liberty for the worker does not exist, where democracy does not exist: the revolutionary process comes about where the worker is nothing and wants to become everything, where the power of the proprietor is unlimited, is the power of life and death over the worker, over the worker's wife and over the worker's children.

When do we say that the historical process of the workers' revolution that is immanent in the human community in the capitalist regime, that has its own laws within itself and evolves necessarily through the flowing together of a multiplicity of actions that are uncontrollable since created by a situation that has not been willed by the worker and is not foreseeable by the worker, when do we say that the historical process of the workers' revolution has blossomed out into the

light of day, has become controllable and documentable?

We say this when the whole working class has become revolutionary, not so much in the sense that it refuses in a general way to collaborate with the government institutions of the bourgeois class, not so much in the sense that it represents an opposition within the field of democracy, but in the sense that the whole working class, as it is to be found in a factory, starts an action that must necessarily result in the founding of a workers' state, that must necessarily lead to the shaping of a human society in a form that is altogether unlike anything that has previously existed, in a universal form that embraces the whole workers' International, and hence the whole of humanity. And we say that the present period is revolutionary precisely because we can see that the working class, in all countries, is tending to create, is tending with all the energy at its disposition - though with many mistakes, vacillations, encumbrances such as one would expect of an oppressed class which has no historical experience, which must do everything for the first time - to extrude from within itself institutions of a new type in the working class field, institutions on a representative basis, constructed within the industrial order of things; we say that the present period is revolutionary since the working class is trying with all its energies, with all its will power, to find its own state. So that is why we say that the birth of the workers' factory Councils represents an historical event of profound significance, represents the beginning of a new era in the history of the human race: for it, the revolutionary process, has blossomed out into the light of day, it is entering into the phase in which it can be controlled and documented.

In the liberal phase of the historical process of the bourgeois class and of society dominated by the bourgeois class, the elementary cell of the state was the proprietor who in the factory subjected to his profit the working class. In the liberal phase the proprietor was also the entrepreneur, he was also the industrialist: industrial power, the source of industrial power, was in the factory, and the worker did not succeed in freeing his consciousness from the conviction that the proprietor was necessary and his person was identified with the person of the industrialist, with the person of the manager responsible for production and hence also for his salary, for his bread, for his clothing, for his house.

In the imperialist phase of the historical process of the bourgeois class, industrial power in every factory has become separated from the factory and is concentrated in a trust, in a monopoly, in a bank, in a state bureaucracy. Industrial power does not have directly to answer for what it does and so

is more autocratic, more ruthless, more arbitrary: but the worker, freed from working under the "boss", freed from the servile spirit of a hierarchy, and also urged on by the new general conditions in which society finds itself as a consequence of the new historical phase, the worker realises priceless conquests of autonomy and initiative.

In the factory the working class becomes a specific "instrument of production" in a specific organic structure; every worker enters "by the dictate of chance" to play a part in this structured body: at the dictate of chance so far as his own will is concerned, but not at the dictate of chance as regards the end to which his work is destined, since he represents a specific necessary function in the process of labour and production, and it is only for that that he is taken on, it is only for that that he is able to earn his bread: he is a cog in the machine of the division of labour, in the working class constituted in a quite definite way into an instrument of production. If the worker acquires a clear consciousness of the "determined necessity" of his situation and makes of it a base for a representative apparatus of a state type (that is not voluntary, contractual, through the ballot box, but absolute, organic, part of a reality that it is necessary to recognise if one wants to be sure of having bread, clothing, housing, industrial production): if the worker, if the working class does this, it does something of profound significance, it initiates a new history, it initiates the era of the workers' States that should flow together into the formation of communist society, of a world organised on the basis of an after the fashion of a large engineering works, of the communist International in which every people, every part of humanity acquires its characteristic physiognomy as it predominantly performs such and such a kind of production and not insofar as it is organised in the form of a state and has such and such frontiers.

Insofar as it builds this representative apparatus, in reality the working class completes the expropriation of the first machine, of the most important instrument of production: the working class itself, which has refound itself, which has acquired consciousness of its organic unity and which as one united whole counterposes itself to capitalism. The working class so asserts that industrial power, that the source of industrial power ought to return to the factory, it presents the factory in a new light, from the workers' point of view, as a form in which the working class constitutes itself into a specific organic body, as the cell of a new state, the workers' state, as the basis of a new representative system, a system of Councils. The workers' state, since it is born according to a configuration of production, already creates the conditions

for its own development, for its own disappearance as a state, for its organic incorporation in a world system, the Communist International.

As today, in the Council of a large engineering works, every work team (by trade) is amalgamated, from the proletarian point of view, with the other teams in the department, every aspect of industrial production merges with, from the proletarian point of view, the other aspects, and brings out the contours of the productive process, so in the world, English coal mixes with Russian petrol, Siberian grain with Sicilian sulphur, rice from Vercelli with wood from Stiria ... in a single organism, submitted to an international administration which governs the richness of the world in the name of all humanity. In this sense the workers' factory Council is the first cell of an historical process which should end in the Communist International, not so much as a political organisation of the revolutionary proletariat, but as a reorganisation of world economy and as reorganisation of the whole human community, on a national and world scale. Every revolutionary action that occurs, has value, is historically real, insofar as it forms part of this process, insofar as it is conceived and is an act that frees this process from the bourgeois superstructure that restricts and obstructs it.

The relations that should link the political party and the factory Council, the trade union and the factory council, are already implicit in the line of argument that has been presented: the party and the trade union should not put themselves forward as teachers or as ready-fashioned superstructures for this new institution, in which the historical process of the revolution takes a controllable historical form, they ought by contrast to put themselves forward as conscious agents of its liberation from the restraining forces that one may briefly describe as the bourgeois state, they ought to set themselves the task of organising the general external conditions (political) in which the process of the revolution can achieve its maximum speed, in which the freed productive forces find their greatest expansion.



# A Letter to a Comrade

Ken Tarbuck

Dear Comrade,

Your letter was of great interest because it raised quite a number of points that need to be clarified.

You say that you are "not sure the [cadre building] is the vital thing" and suggest that it is more important to get young workers and students involved in activity. I can well understand your impatience on this question, because it seems there is a dichotomy between these two functions. However, I would suggest that this dichotomy is not - or should not be - a real one. Our point of departure must be 'how can we advance the fight against capitalism and bring it to a successful conclusion'. The point I was trying to make in my article "The Making of Revolutionaries - Cadre or Sect" was that many people start from this generalised and abstract proposition only to arrive at a dead-end, even though for a time they seem to have made some progress. Some knowledge of the British Labour movement will tell us that it is littered with many attempts to find a way out of the impasse. In the event - upto now - they have all failed, and to say this is not to disparage the devotion and sincerity of those involved. The proposition that I advanced was that - leaving aside the objective conditions, which have played a large part in this failure - they all fell down either because they were unable to create a revolutionary cadre or did not understand the nature of such a cadre. This is why I devoted so much space to examining this question.

However, - and this must be clearly understood - cadres cannot be created in an ivory tower, separate and apart from the actual struggles that are taking place at any given time. On the other hand, participation in such struggles do not automatically create cadres. What is involved here is, what does one mean by cadres? I repeat what I said in my original article, one must not confuse activists and cadres, to do so means to have an administrative and manipulative concept of cadres. Cadres in the Leninist or Gramscian sense of the term are revolutionary intellectuals, or intellectuals of a new type. That is not to say, therefore, that one must hand out labels to those who participate in a movement and accord them some differing and exalted status, in the last analysis people will decide for themselves what their role is by their contribution.

I agree that the activist approach should be given as much importance as cadre building - if one sees them as being separate, but I do not. In my article I attempted to point out that for genuine revolutionary activity to take place, and by this I mean that the situation has materially affected the relative

position of the various classes within society, then there must be a fusion of theory and practice, i.e. praxis. What I wanted to drive home was that only rarely has this been the case upto now, rather we have been faced by sects that have produced activists, and sometimes unthinking ones. The essence of this point is that we must get away from seeing some sort of dichotomy between activity and intellectual effort. I made the point by asking was Marx merely (!) theorising when he was writing Capital, and was Castro merely (!) being an activist when he landed from the Granma? It is only by understanding the fundamental unity of such apparently diverse 'activities' that one grasps the concept of praxis.

If I understand the drift of your next point, you are saying that in the last two years or so the most important thing is to create activities and demonstrations around student and Vietnam issues because you "think that with involvement in activities and raising revolutionary consciousness ideology would follow, more easily and quickly". First let me deal with the question of Vietnam. There can be no denying that until recently this issue was one that aroused a great deal of feeling and enthusiasm among wide layers of students and young workers. Moreover, from a revolutionary Marxist standpoint it is ones duty to defend the Vietnamese struggle and if possible expand the movement once more. This is doubly important because (a) it is an elementary duty to defend those who are under attack by imperialism, and (b) because the Vietnamese have shown in practice that it is possible to stop imperialist aggression and defeat it. However, to predicate the whole of ones strategy on this (or any other single) issue - in practice, if not in theory - is to fall into a trap. Whilst it may be true that many people were drawn into activity by the issue of Vietnam, many were not. To have concentrated on this one issue (or today upon student struggles) almost to the exclusion of others is to ignore the very real law of combined and uneven development, one that operates not only internationally, but also nationally. For the proper development of cadres there has to be a number of areas of work and issues in which one operates. Of course it is necessary that there should be priorities, but these have to be worked out on the basis of a full and rounded-out analysis, not by empirical reaction to events. Secondly, on the question of involvement. I would not deny that it is possible to raise the consciousness of many by bringing them into such activities as the anti-Vietnam war campaign. But for this to be utilised properly it is necessary to have a cadre that is conscious of its own role, one cannot rely upon sponteneity. This was the most dangerous aspect of VSC and the present round of student militancy. There seems to have developed the idea that demonstrations and clashes with

the police and/or University authorities is all that is necessary to develop revolutionary consciousness. But, to avoid any misunderstanding, let me say that such demonstrations are necessary, and I would be the last to disparage the tremendous work that has been done by such demonstrations.

I find your remarks about the New Left Review and "intellectual chatter" most interesting and revealing. I think it indicates the general anti-intellectual character of British Society, and also of the British Labour movement. You obviously equate "intellectual chatter" with idle chatter. Such attitudes are of great service to the bourgeoisie in helping to maintain their ideological grip upon the working class. The greatest asset that the bourgeoisie have in keeping their society all that is the 'common sense' of the working class who don't listen to "them... long-haired intellectuals". As for NLR not being "exactly proletarian", neither was Marx, Engels, Lenin, Trotsky, Luxemburg etc. It is a mistake to try to type people by their class origins. There is nothing particularly sanctifying about the proletarian condition, as Marxists we want to abolish it. What we have to separate out is how certain classes act and not to confuse this with how individuals, or even relatively small groups of people act. If we were to seize upon the activities of individuals or those of small groups and use this to characterize a whole class or strata of society, how would we characterise the working class after those dockers had marched to Parliament to support Enoch Powell? Again, please do not misunderstand me, I do not think the sun shines out of all intellectuals' big toe. But I think to dismiss people one must have some knowledge upon which to base this. All too often in the Marxist movement one hears of ideas being dismissed because they are 'bourgeois' or 'petty-bourgeois' (apparently a most horrible thing to be), nothing is more indicative of a closed mind than the use of clichés to answer problems.

Are there so many cadres around? I would think that this is a slightly more complex question than appears at first sight and also how you pose it. On the one hand there is certainly not a revolutionary cadre formed as yet, taking Gramsci's definition as one's criteria. On the other hand there are certainly many people around who would and could form the basis for such a cadre. But it is not a question of lumping together a certain number of people and when one reaches a certain arithmetic number saying that a revolutionary cadre has been formed. The formation of a cadre is a dialectical process. The collective impact of such a cadre is much greater than the mere summation of individual efforts. Therefore the problem is not merely grouping together the largest

number of people possible, perhaps by using a low common denominator, but of grouping together talents as will have revolutionary impact upon society. Initially such a grouping can be relatively quite small, but their impact and success will generate further growth.

I do not think you are being "naive" when you say "some sensible person talked about the immediate necessity of making revolution not talking about it", you were merely mis-quoting them. The sensible person I presume you refer to is Fidel Castro, now as far as I know he has talked about the duty of revolutionaries to make revolution. I do not recall him saying anything about immediately. Now of course Castro was not saying this is something we can put off into the distant future. I take him to mean that no matter what the present conditions revolutionaries must clearly have a perspective of revolution, one on which we base all our activities. But it would be absolute nonsense to say that all revolutionaries must rush out now and start the revolution. There is a small item called the objective circumstances which have to be taken into account. If I correctly interpret Castro's slogan (and we should remember it is a slogan) I take him to mean that revolutionaries by their activities help to change these objective circumstances, because they are not god given and immutable. Looked at in this way this slogan begins to take on a deeper significance than a mere tautology, which it may appear to be at first sight.

And now to your last point. The French events of May/June 1968 were unexpected in the precise way in which they developed, and the rapidity with which they became a pre-revolutionary situation. I would not suggest that Marxists are able to forecast the precise time-table of mass movements, we are not crystal ball gazers. Yet at the same time such mass upsurges should not have taken Marxists by surprise to the extent of being disoriented by them. Marxists should not only respond to circumstances they must also help to shape them. If our theory does not allow us to do this then it is "intellectual chatter". Revolutions are only unpredictable if one stands passively watching, if one enters into the mass movement and attempts to help shape them, then the unpredictability becomes much less. The scale and effectiveness of such interventions depend largely upon the preparations that precede such situations. This is why a revolutionary party is both a subjective and an objective factor within any such situations. Men make their own history, but they do so with all the weight of the past and present bearing down on them.

Yours fraternally,  
Ken Tarbuck.

## Under Review

The Employers' Offensive - Productivity Deals and how to fight them. by Tony Cliff

Pluto Press, paperback 6s.

Tony Cliff has done a very thorough and well documented job in exposing the dangers and pitfalls inherent in the present wave of productivity deals that is being unleashed. This is a book of over two hundred pages, the bulk of which deals in some detail with various aspects of productivity bargaining. As the 'blurb' on the front says - "A concise and thorough explanation of the many pitfalls which exist for workers under the guise of productivity bargaining. A book that every trade unionist ought to read." This is an opinion that I would agree with.

Cliff deals with Measured Day Work, Greater Flexibility in the Deployment of Labour, Job Evaluation, Time and Motion Study, Redundancy and much more besides. This gives one an idea of the scope of the book. In particular his exposure of the so-called 'science' of time and motion study is a very valuable addition to any shop stewards armoury. His quotation from the 'father' of time and motion study is a gem -

"Now one of the very first requirements for a man who is fit to handle pig iron as a regular occupation is that he shall be so stupid and so phlegmatic that he more nearly resembles in his mental make-up the ox than any other type."  
(F.W. Taylor, Principles of Scientific Management, 1911)

It is precisely the hope of the bosses to reduce their employees to this bovine state by productivity deals, not in such a crude or blatant manner perhaps, but nevertheless they want workers who are amenable as oxen.

One of the other valuable features of this book is the large number of workers who have given evidence directly to the author, as well as his quotations from official documents and agreements. Many of the comments in these items from shop floor workers are revealing in more ways than one. Firstly, many of them reveal the worsening of conditions where productivity deals have been in operation, and secondly they show

that the workers may have to work like oxen, but they don't think like them.

The picture emerges of an overall offensive by the employers to prop up sagging profit rates, at the expense of the workers. Peter Jay, who gave a lengthy review of this book in The Times Business Section, tries to pass off the evidence presented as so much "drivel", but it is noticeable that he makes no attempt to challenge even one item of fact in the whole book. This either means that he has not done his home work or could not come up with anything worthwhile. However, the fact that The Times chose to pay so much attention to this book means that it views the contents seriously, and so should every worker.

Cliff has made an excellent job of cataloguing the many pitfalls in this field for the unwary worker. However, when he comes to attempt to prescribe an answer he is not so successful. Quite correctly he says -

"In productivity bargaining the traditional form of negotiations - workers making demands on their employers for better wages and conditions - is reversed. Now it is the employers who are demanding changes, and in doing so try to force the workers into taking a purely passive role and simply responding to these demands." (1)

This sums up the position very well indeed, but what is Cliff's answer?

"Now comes the 64 thousand dollar question - how do we fight a productivity deal? I hope no one who has read this book so far will be in any doubt where I stand on the question of Productivity Dealing - bitterly and unalterably opposed to it. But this does not in itself solve the problem of developing a strategy for fighting them. Any fool can denounce a Productivity Deal and say we should have nothing to do with it. It is an entirely different matter to lead a group of workers in successfully resisting such a deal". (2)

That is clear and to the point, and eminently sensible, because it is not an easy task to fight the present methods of employers attacks, when they are so well gilded with what seems to be large increases in pay. But we turn over the page and Cliff says this -

"We must always start by opposing the Productivity Deal completely and then later, if necessary, retreat to a position where we try to get the best out of the deal we can." (3) !!

And on the next page we have -

"...any steward has to remember the first rule of negotiation the girl who starts by saying NO gets a higher price for her virtue than the girl who talks money at the outset."  
(4)

In other words if you cannot beat them join them! Despite all the good intentions Cliff is unable to come up with a coherent counter-strategy. True enough that he has some very useful ideas about productivity deals should be dealt with once they are entered into, but he presents no overall strategy which will take the workers onto the offensive before the bosses make their move. This is the missing link, since right here and now this is precisely what workers need. The rising tide of militancy will be beaten back unless such a strategy is adopted. The only concrete answer that Cliff comes up with is to sell the 'rule book' as dearly as possible, despite his good intentions and protestations. That is exactly what the employers want. He explains this himself in earlier sections of the book, so that his alleged answer is a let down.

However, despite the grave shortcomings of the last chapter, this book is still worth buying, because it can supply a great deal of ammunition to those who care to extract it from its pages.

(1) p.211 (2) p.215 (3) 216 (4) p.217

J.W.

The Explosion. Marxism and the French Upheaval.  
Henri Lefebvre. Monthly Review Press. 1969.

Is the effort of concentration, which is required to read this book, proportionate to the insights to be gained from it? I'm not quite sure. The effort is certainly great. There is no shortage of anecdotal journalistic accounts of the May Days - this is not one of them. It was written at the end of May 1968 and reads like (perhaps it is) the private jottings of a subtle mind seeking the mental categories with which to start interpreting momentous events, the contents of which it would be redundant to describe. Less than 25 pages (out of over 150) involve any concrete content: names, dates, places. (The name of De Gaulle does not appear at all, not to speak of Cohn Bendit or Seguy. No party or organisation or newspaper or factory; no place other than Paris and Nanterre is named). This abstraction, was perhaps intellectually necessary in the midst of events, but at this distance it is confusing and disconcerting. Yet there ARE numerous insights and suggestions for mental orientation on a subject of such crucial importance that probably a major effort to extract what one can from it is well worthwhile.

Lefebvre considers it essential to differentiate old and new contradictions in society - those which have been analysed by Marx and Lenin and those which are specific to France and to latter day capitalism. He argues for a careful analysis of the relationship between these and of the effects of the lags produced by uneven development of different aspects of society. But he himself does not make this analysis - concentrating entirely on suggestions about the nature of the new contradictions. He discusses, for example, modern 'urbanism' (theory and practice), as the destruction of the city - 'Past, absent and future' - by the projection of the functional dissociations and fragmentations of the division of labour onto terrain. Segregation is the ultimate logic of capitalism; the movement from Nanterre - 'deurbanised', marginal, a void - to the Sorbonne is seen as follows "In March 1871 as in May 1968 people who had come from the outlying areas into which they had been driven and where they found nothing but a social void, assembled and proceeded together toward a reconquest of the urban centres", which with the movement onto the streets, he interprets as involved with the breaking of barriers and as steps to the reconquest of the wholeness of man". Strangely, he tries to describe some of these new contradictions as an 'internal colonisation'. "Organisational capitalism now has its colonies in the Metropolis... Groups



that are semi colonial or view themselves as such, and are distributed as dependancies of the centres of power: ghettos, suburbs, outlying areas, the youth, students."

Similarly he says it's important to discuss the relationship between market forces, economic and class interests and state and bureaucratic power. But he fails to do so, concentrating on the characteristics of the modern state. He describes its strategy of 'absolute politics' which destroys all intermediate structures (parliament, the judiciary etc.) as live forces and creates a void around itself; spontaneity arises within and to fill this void of boredom and humiliation.

Again, he objects to the description of the student revolt as 'detonator' to the workers which "assumes that analytical problems - especially that of juncture - have already been solved. What happened when the student movement began to penetrate the working class? How did the workers view this movement before joining it? What was the role of working class youth?" Yet he himself devotes all his enquiry to the students, none to the workers or to 'problems of juncture'.

I think this work should be read as notes towards a book (or a series of books). If it were to be taken as an analysis of the May events or of the social crisis preceding them, (however sketchy), it would lay itself open to severe criticisms for an imbalance in its stress on new contradictions, on the state, on students (at the expense of the old, the economic, the working class) which was probably far from the intentions of the author himself. If the writer himself considered it to be notes towards, then we would wait keenly for the work itself to appear. Since there is no guarantee of this, we must make as much of what we have as we can. (And others might well be able to make more of it than this reviewer).

Constance Lever

---

## Available from BMS Publications

The Making of Revolutionaries - Cadre or Sect  
Ken Tarbuck 10pp

Workers' Control - What Next?  
Chris Arthur and Ken Tarbuck  
8d pp

Back Numbers of Marxist Studies  
Vol.1 No's 4 and 5 1/10d each pp  
Vol.2 No.1 3/4d pp

---

"The Rise of Enoch Powell" - Paul Foot.  
Penguin Press 5s.

In his introduction, Foot states that he has not set out to provide a biography of Powell, or a fact by fact account of his speeches on race and immigration, but rather "It is an attempt to trace the development of Enoch Powell's thinking and speeches on immigration and race - and in doing so to provide ammunition for a counter attack." Or in the words of the blurb on the back cover "Powell's views on race have shifted significantly in the past few years. In this Penguin Special Paul Foot shows how and why they have changed - and launches a devastating counter-attack." Without doubt Foot has done a magnificent job on the first theme, showing how and why Powell's views on race have changed, but the "counter attack" is not so much "launched" as "slipped in" and while it is penetrating it is not dealt with in sufficient depth to make it devastating.

The characterization of Powell is excellent. His idiosyncracies as a politician are not allowed to disguise the fact that he can be located specifically on the far right of the political spectrum - a process which justifiably deflates the image that Powell has of being wholly original, atypical, and some kind of demon intellectual power-house. The danger that Powell represents is not underestimated in any way by revealing the somewhat pathetic figure of a man wallowing in the filth that Smethwick generated in an attempt to fulfil his frustrated ambitions. Foot devotes the great bulk of his book to documenting Powell's shift on race from a man who, in the first reaction to Smethwick was still described by the Observer as "extremely hostile to bringing race into politics" (pg 70) to a man whose speeches on race are virtually indistinguishable from those of the National Front (pg 119). Powell's claim to consistency on race is utterly destroyed: his claim that immigration was the principle political issue in Wolverhampton from 1954 to 1966 is carefully and systematically torn to shreds by Foot's detailed investigation.

In so far as Foot set out to prove that Powell had "embarked on one of the most dangerous and opportunist escapades in the history of British politics" (pg 128); that he is exploiting the race issue for the political gains that both he and the right wing of the Tory party might hope to pick up, he succeeds admirably. The point is driven home with an account of the Powell/Heath maneuvers to out bid each other for right wing support while attempting to discredit each other, with the

Labour party in the background mouthing moral condemnation while capitulating in panic and confusion. In a limited sense then Foot does indeed provide the ammunition for a counter attack - in so far as his thorough investigation reveals Powell stark naked as an unscrupulous political opportunist and however much this may seem like old hat to marxists it is both useful and necessary because it is documented and proved.

However, this is not enough and for this reason the book will be greeted with scepticism on the Marxist left. It is not enough to reveal Powell as opportunist, unscrupulous, and fascist, one must as Foot says on the last page "mobilize the masses". That means as analysis must be provided which is fundamentally relevant to the working class. The frustrating thing about Foot's book is that he neither satisfies nor ignores this necessity. The class analysis which locates racism in relation to capitalism's labour demands and its inability to cope with the problems which this demand creates, is virtually limited to the last eight pages of a book which is 143 pages long. It is not totally ignored however, as in chapter two Foot shows quite clearly that immigration to Wolverhampton after the war followed the demand for labour and that racial conflict was a consequence of recession. But it is only in the last chapter that Foot turns his attention to a serious analysis of racism in relation to Powell's politics. The result is a penetrating but all too brief examination of Powell the champion of an uncontrolled, rampant capitalism, finding in racism a way out of the chaos which is free market economy creates,

"These facts teach us something about Mr. Powell's free market economy. It delivers workers to the employer - any number of workers he requires; but it does not deliver the services for the workers. Full employment, expansion, a booming capitalism still does not provide decent housing, schools, welfare services for its workers."

It is such shortages that people like Powell have to explain and they do it by finding a scapegoat - immigrants. Powell himself and the free market economy he prays for are neatly linked and demonstrated to be the root cause of racial conflict in Powell's championship of the '57 Rent Act which in re-establishing free market relations and housing havoc also creates racial conflict.

Paul Foot's book is useful and illuminating but it suffers considerably in the relative weight allotted to plotting Powell's course on race and the analytical theme taken up in the last chapter. The latter must be the focal point of any attempt to understand and destroy Powell.

Kevin Whatston

# New Left Review

Issue number 60 will contain -

The New Soviet Opposition Tamara Deutscher

An Interview with Georg Lukacs

The Revolutionary Party Lucio Magri

The Fatal Meridian Tom Nairn

The Specificity of US Imperialism Gareth Steadman-Jones

---

Issue number 59 contained -

USA - The Universal Contradiction Martin Nicolaus

Armed Struggle in Brazil Joao Qaurtim

The Laws of Uneven Development Ernest Mandel

Prison Notes on Gramsci Regis Debray

---

Issue number 58 contained -

Interview With Jean-Paul Sartre Itinerary of a Thought

Spain - A Weak Link? Ricard Soler

The Problems of the Capitalist State Nicos Poulantzas

Fighting to Win Ben Brewster

---

New Left Review, 7 Carlisle Street, London W1

---

Subscription Rates -

Inland 27/-, Overseas 39/-, \$5.50, 20 DM,  
4.50 French frs. 3000 lire, 25 Swedish kr.,  
35 Danish kr. 1750 yen.

Single copies Inland 27/-, Overseas 10/-

---

American distributor B. de Boer, 188 High Street,  
Nutley, New Jersey 07110 USA