

# CHARTIST

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## In Wake of Loyalist Strike

# TROOPS OUT NOW!

CATHOLIC workers in the Six Counties have been placed in dire danger by the victory of the Loyalist general strike. Surrounded in the ghettos by triumphant protestants the threat of sectarian attacks on the nationalist areas is now immediate.

The Ulster Workers' Council's defeat of the power-sharing Executive and Sunningdale is being hailed by the leaders of the reactionary UDA and UVF as the greatest victory for protestant ascendancy since 1921, when the Ulster statelet was formed. At that time, the institutions of sectarian repression were forged for the first time and enshrined in 'legality' by the constitution of Ulster. Having proven their ability to defeat British imperialism's new plans for the province—the Sunningdale formula—nothing will satisfy the Ulster Loyalist's short of a complete return to the old ways of the 'protestant ascendancy'.

But a complete return to these old ways of sectarian oppression and violence against the minority community requires the smashing of the resistance that has grown out of the catholic ghettos since 1968. Catholic resistance to sectarianism has been expressed for the last six years by the political campaigns and military actions of the Civil Rights movement and, most importantly, the Irish Republican Army.

With one 'great' victory under their belt, the extreme danger in the weeks and months ahead is of a Loyalist campaign of violence and terror against the catholic community, aimed at 'rooting out the IRA'. This will be waged on a scale that would make the murders and indiscriminate attacks on catholics of the last year look like a church outing.

Who will defend the catholic community? For the last five years the British army has been waging a war against Irish nationalism. With armed patrols down every street, harassment, beatings up,

and internment without trial, the desire to 'get the fenians' has been driven home just as hard in the ranks of the army as it has been in the protestant schools and Orange lodges of the Shankhill and Sandy Row. The British army will not defend the ghettos. Neither will the middle-class politicians of the SDLP who so desperately cling to the wreckage of the power-sharing Executive—a last cover for their real powerlessness. And neither the Cosgrave-O'Brien governments of the South, which blames the catholic community's desire for decent living standards and the right to work for provoking the extremists to the other side.

The reality of the situation is that the only defence of the catholic areas that will be forthcoming will be that organised by the catholic workers in those areas themselves. This means that the brigades of the IRA will be predominant in the defence of life and property in the ghettos. Workers and socialists in Britain who refuse to defend Republican organisations in the military struggles in



Loyalist picket during the strike

the months ahead will stand with the right-wing Loyalist movement. The present Labour Government, with its continued use of the army, must be made to accept responsibility for this fact.

Power-sharing and the Executive have been destroyed. The protestant working class, which could never stomach the middle-class politicians conferring over and signing away privileges which they have had to struggle to defend for over fifty years, have

been driven in rebellion into the arms of the extreme right-wing.

Already an enormous groundswell is mounting in the L.P. for a complete and immediate withdrawal of all troops from N.Ireland. The British Army has no right to be in any part of Ireland. It is Labour's responsibility to remove them now, and begin an extensive campaign within the British labour movement for full material support to the anti-unionist, catholic ghettos.

## Labour at the Crossroads

LABOUR'S DECLARED intention on being elected was "to bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families".

After three months in office, little of Labour's programme has been fulfilled. All the problems remain: a trade deficit of £391m, prices rising at 20% per year, and wages held down by TORY wage laws. In April alone, prices soared by 3.4% making six million eligible for threshold increases of 40p or 80p a week.

"Very ugly indeed" is how CBI boss Campbell Adamson described the situation. Sir Frederick Catherwood, another leading employers' spokesmen predict millions unemployed and a sharp decline in living standards. The

ruling class want workers to pay for the economic crisis with high unemployment and low wages.

Why, then, is Labour's election programme lying on the shelf? The reason is that Wilson, Foot and Co. are far too busy meeting the requirements of the employers and bankers to listen to the millions who elected them. Already, Foot is preparing a document whose outcome will be a pay freeze. The "social contract" is an instrument for class collaboration. Labour was not returned to use Heath's policies against the working class.

The employers are launching a counter-attack against Labour's programme. Wilson's refusal to honour his election promises only helps the Tories. The Labour government is at the crossroads.

A massive campaign to implement the programme by scrapping the Industrial Relations Act, and the Pay Board combined with the nationalisation of shipbuilding, aircraft, development land, construction, machine tools, road haulage, the ports and North sea oil, as promised in the election manifesto would win immediate mass support. But this would mean a challenge to the power of the capitalist class. That is why Wilson and the Labour leadership is in retreat.

Workers want this programme carried out that is why they voted for it. The strength of the whole Labour movement must be mobilised (and conference must be recalled) to demand that Labour breaks from the capitalists and take the power to implement its programme.

**Inside: Labour Corruption Scandal**



# Labour's Food Subsidy Fraud

MIKE DAVIS

LABOUR'S 1974 election manifesto recognised inflation to be one of the major problems besetting the working class. It proposed 'strict PRICE CONTROL' on key services and commodities... 'and selective use of subsidies will be applied to items bearing most heavily on the family budget.'

These were fine promises, but we weren't told how these policies would be implemented or where the money would come from.

Shirley Williams, Minister for Prices & Consumer Protection has made it abundantly clear that the much vaunted food subsidies will not stop price rises. In fact she has admitted she has no policy to effectively stop price rises.

According to the monopolists' journal, "The Economist" the cost of food subsidies so far has been an estimated £700m year. But strangely enough subsidies which were supposed to curb price-rises and protect working class living standards have met with little opposition from the giant food companies. Where have the subsidies been going? A quarter of the £500m budget subsidies—£127m—have gone to big milk producers like United Dairies in order to reduce the price of your pinta by 1p. This huge subsidy comes on top of the approximate £300m a year already being given to farmers and the Milk Marketing Board. Even "The Economist" (3 March) could not help remarking that this was all "at a time when the country is producing too much of the stuff anyway." For this subsidy is going to boost the already booming profits of the big farmers who last year made £1.2 billion profit. These cash handouts are not only going to farmers and Dairy monopolists. Bread is also subsidised. In May the Tory Price Commission—still alive and kicking under the Labour government—accepted the bakers' case for an extra 1½p on the standard loaf. Willing to comply—the "consumers' champion" Shirley Williams gave another £36m year to the bread monopolies, bringing the total subsidy to £53m a year—to keep the standard loaf at 14½p.

## HANDOUTS

This blood money adds to the profits of the big 3 bread monopolies—Rank Hovis McDougal, Spillers, and Associated British Foods—whose profits last year were up by over 30% on the previous year.

So, far from profits being cut, income and wealth being redistributed to workers, cash gifts are going to the giant food corporations to top their profits up still further. While nurses, local government workers, teachers and other low-paid workers are forced to scrape along on £20-25 or less for a 40 hr a week. Wilson & co. hold down their pay increases, through Tory wage cutting machinery, and yank up income tax, VAT and the price of steel, electricity, rail

fares, postal charges, beer, cigarettes and sweets. Just who are food subsidies supposed to benefit? Most workers now know the answer. Subsidies are nothing but back-door wage cutting. Instead of taking over the capitalist monopolies and ending profiteering for good, massive handouts—from workers' pockets—are going to the employing class.

In April the wholesale price index for manufacturers' output rose 3¼%—an annual rate of 45%—and again The Economist had to admit that this 'must mean some hefty monthly increases in the retail price index during the summer.' It further added that wage increases—including a miserly 'threshold' supplement which only applies to 20% of workers—'will not be enough to keep pace with inflation and maintain real living standards

## PRICES BILL

Shirley Williams' 'voluntary' scheme for price control contained in the new Prices Bill is a fraud and a utopia. It applies to only 43 items and of these only 7 basic items (eggs, bread, flour, butter, milk, tea and sugar) are to be 'permanently' reduced. Even with subsidies, on most of these items, the big food combines will be forced—through the unfolding of the economic crisis—to continue to drive for maximum profits at the expense of workers' living standards. Capitalism and its crisis operates according to iron laws and appeals to capitalists for 'voluntary' price control is a complete evasion of the struggle against inflation—which is a product of contradictions at the very root of monopoly capitalism.

What the Labour government should be doing is organising trade unionists and housewives around a political strategy which will defeat inflation at its roots. It should endorse the demand for a RISING SCALE OF WAGES to ensure that workers' wages are not eroded by price-rises. The fraud of food subsidies must be ended along with the "Threshold Agreement" swindle being peddled by the TUC. A real threshold should be established at zero %—not 6% or 7%—and for every percentage point increase in a working class cost of living index, worked out by committees of housewives, wages should automatically rise to give full compensation. Labour should also open the books of all the food monopolies to inspection so workers can see the account ledgers of these profiteers.

Only in this way can real wage gains be protected from the ravages of capitalist inflation and the basis laid for the whole working class to begin the process of taking over the food and distribution industries and planning production according to social need. Only on a socialist basis can prices be brought under control. This is the policy Labour should be fighting upon. A policy which says workers are not going to pay for the employers' inflationary crisis.

# THE CHARTIST

Monthly Journal of the Socialist Charter Movement.

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## New clothes for 'In Place of Strife'

A GRAVE danger now threatens the organised working class with the passing of Tory amendment to Employment Secretary, Michael Foot's new Trade Union and Labour Relations Bill. The Bill, designed to replace the Industrial Relations Act, has many dubious clauses even the Tory amendment passed at the stage. It defends the employers in event of a lock-out and their 'right' to refuse to reinstate a worker after strike or other industrial action.

Ex Tory Employment Minister, William Whitelaw, proposed the "four guiding principles" for "industrial relations" and with the assistance of the Scottish Nationalists and Liberals the amendment was quietly slipped through. In effect it means the Labour Bill contains, "a section of the Conservatives' Industrial Relations Act, 1971, setting out a code of practice for employers and trade unions" (The Times).

The key points in the amendment amount to a scarcely veiled attack on the closed shop, recommending "the free association of workers in independent trade unions", and payment to any worker who suffers loss—an open door to the Goads' and Langstons' of this world—and protection to blacklegs. The clause calls it "freedom and security for workers... against unfair industrial practices, whether on the part of employers or others"—meaning workers. For Whitelaw the passing of the amendment was a tri-

umph for "reason". For Foot, a reality Labour had to accept in view of their 'parliamentary situation'.

Every trade unionist must reject this talk and demand the issue is fought as a matter of principle. Already workers have had to wait nearly four months for action. The NIRC has been allowed to continue its attacks on the unions. The General Aviation Services claim for damages against the TGWU, which amounts to over £1 million, is still at the NIRC.

Only Dennis Skinner, Labour MP for Bolsover, demanded the I.R. Act be destroyed by a guillotine measure—just as it was brought in by one—and that Labour calls a General Election on the issue. If Wilson took this course he could rely on the massive strength shown by engineers when their strike action defeated Donaldson's court.

Crisis-torn capitalism demands an end to independent trade unions and the principles upon which generations of workers fought to build them. Legislation which attempts to tamper with these rights must be fought to the bitter end. For the employers only the complete integration of trade unions into the state and the strengthening of the bureaucracy will suffice.

The defence of independent unions today inevitably means a fight to the finish with the capitalist class not concessions to them. Foot's amended Bill constitutes a major capitulation. It must be stopped now. Workers' want no more "In Place of Strife's"—no matter how fancy the clothes!

## STAND UP...OR BE EXPELLED!

NORTH ISLINGTON Constituency Labour Party, arguably the most right wing one in England, has again decided to try to drive out many of its activists who have been fighting the present set-up in that CLP. The 'issue' chosen, however, borders on the absurd. Seven leading members of the Party including 4 councillors and a ward secretary, have been hauled in front of a special Executive Committee—their crime being that they sat down during the National Anthem and Loyal Toast at the Annual Dinner and Dance of the local Labour Party.

The real issue behind the affair was that the four councillors were selected in the face of strong opposition from the Party chairman and other E.C. members, who failed to get reselected themselves. That opposition even included an unsuccessful appeal to Labour Party Regional Office.

At the Dinner & Dance some people refused to stand, including not only many activists from North Islington but also the Borough Agent and the mayor for 1972-3. Incensed at this disloyalty to the monarch, the right-wing clique who run the party decided to make an example of the supposed 'ringleaders' and summoned 7 of

them to a special E.C. to explain themselves. The 'defendants' each made a speech making clear why they had sat down and after much toing and froing the E.C. rejected a motion that no further action be taken by 6 votes to 5 on the Chairman's casting vote and instead passed a motion calling on the next GMC to take action against the seven by 7 votes to 5.

As we go to press this body has not met but apparently expulsion of the seven is seriously contemplated. How about the Labour Party NEC squashing this nonsense, and whilst it is about it investigating the Labour Party in North Islington?

● The Chairman of the N. Islington Labour Party, Harry Reid, was last year's mayor of the Borough. He wasn't reselected as a councillor for this year's elections, but he used the ceremony where he handed over his chain and mace as the occasion for an attack on the NALGO strike, which he opposed.

It just so happens that three of the councillors who are under threat of expulsion made their position on the strike quite clear. They supported it.



# CASTLE'S PAY CRISIS

Social Services Secretary, Barbara Castle, is now under attack on two fronts by two groups of government employees, both demanding more than their Phase 3 pittance.

Leading the fight against low pay are the nurses, who have at last turned to trade union action to defend their living standards, following in the footsteps of the hospital ancillary workers' dispute of last year. The 280,000 nurses are particularly annoyed at:

- increases in meal charges which have caused canteen boycotts.
- increases in lodging costs which come with every pay rise
- staff shortages in many areas due to low pay
- employment of agency nurses at much higher rates of pay

They have made their feelings clear at demonstrations and protest walkouts in every corner of the country. After years of relying on the generosity of successive governments who have wept for the low paid but given them nothing, they have in a few short weeks

of action forced an immediate enquiry and a promise of a back dated increase.

Meanwhile Barbara Castle's plan for pension increases has been held up by action on the part of civil servants in the Social Security offices. Already under pressure of work, the clerks were alarmed by the speed with which they were supposed to do the uprating of pensions and other benefits. The civil service unions received no reply from the DHSS to their demands for a special payment for the uprating exercise, and have banned overtime work and work on the increases.

As we go to press, the CPSA are fighting on alone, and have banned the exchange of national insurance cards. Marie Montaut, representative at Kennington Park office told us: "The capitalist press who are never sympathetic towards the DHSS clerks are going to have a field day



accusing us of depriving people of their increases. The T.U.C. have already started. So why are we going ahead?"

DHSS workers are the Cinderellas of the civil service. It is the last department that people join, because the work is so demanding. This makes the DHSS the most understaffed section.

• Barbara Castle recently went into hospital at University College.. as a private patient.

## NALGO Leaders' Back-pedal on claim

by A NALGO WORKER

NALGO workers demonstrate for their wage demands against the Tory state pay laws which the Labour government continues to use.



teachers and nurses at the wages 'treatment' they have been served by Wilson's Labour government. Furthermore, the lack of any strategy on the commencement of the campaign—only 4% of NALGO members in London on strike—has wasted valuable time and failed to unite all NALGO members in action. It would have taken 'all-out' strikes by at least the Inner London Boroughs to produce even minimal results.

NALGO leaders are being condemned for their failure to get support of NALGO members (and other sections) outside London for the London Weighting Allowance, by linking the question of a special allowance for London to the need for similar increases in other areas in accordance with rising living costs.

As inflation bites still deeper into living standards—in April prices rose at an annual rate of 40%—the temerity and inaction of the local government workers' leaders, assumes a new danger level. With a struggle for a rising scale of wages for all, which would automatically restore any reduction in the buying power of wages, ensuring wages-salaries rise for every percentage increase in the working class cost of living index, the framework could be laid for a battle to unite not only NALGO workers but all 'public sectors' employees. It is only with this course of united action that Labour can be squarely attacked for its retention of Tory wage controls and a policy of defending all 'public sector' workers against inflation be implemented.

### CAR WORKER COLUMN

## Ford Transfer Investment

By Don Flynn

CONFIDENCE IN THE future is at rock-bottom for both management and workers in the factories of Ford U.K.

For the past several months the question has been asked: 'What will Detroit decide..?' In the course of its current 'economy drive' cuts in 'unnecessary' expenditure have led to the closure of several Ford car plants in America.

Top American trouble-shooter (or union-basher) William O. Bourke announced on a 'Money Programme' special on Ford that the British company, in 1973, operated at less than two-thirds of rated-capacity; or 150,000 cars and trucks short.

But many Ford workers are asking just where these cars and trucks would have gone anyway. The collapse in demand for new models is well-known as are the harsh facts of massive lay-offs in the German, Italian and French car industries.

The deepening economic crisis of capitalism has meant no-growth and even decline in working class living standards. Thus, as the 'Financial Times reported in May, sales are presently confined to existing car-owners'...a situation which leads to fluctuating demand and slow growth.'

Meanwhile, the Ford Company is planning to develop its business in Spain, Brazil, Argentina and other under-developed countries, where labour costs are kept low, and trade unions are effectively outlawed by repressive regimes.

These heavy overseas investment plans spell enormous dangers for Britain's 70,000 Ford workers. With no plans for expansion in Britain and the world car market slump continuing to grow, massive redundancies in Fords 21 U.K. plants are looming ominously. If the enormous amounts of investment to replace worn equipment and machine tools is not forthcoming, the struggle against lay-offs and closures will assume a vital urgency. The demands for the opening of the car giants books and the abolition of all business secrets should form a central part of the battle to defend jobs providing the basis for mobilising all car workers to take the entire industry into their own hands as a prelude to nationalization and complete workers' management.

● Ford Motors World-wide investment plans during 1973-75 will total \$1,700m—Europe receiving \$1,100m. The company has no new investment plans for Britain.

● CHRYSLER CORP. (USA) reported drastically reduced first quarter profits. Sales were down to \$2,700m from \$2,900m in the same period last year.

● The TGWU enquiry into the case of victimised BLMC Cowley steward Alan Thornett has cleared him of the wrecker charges laid against him by the management.

TGWU car workers are now expected to call on the union to lead a campaign of industrial action to ensure an end to this victimisation.

THE NALGO industrial action in support of a £400 London Weighting Allowance has to date failed to produce a settlement of the claim or to force any interim payment prior to the Pay Board Report.

The objective of NALGO's NEC is now concentrated on securing a favourable settlement after the Pay Board Report at the end of June. The strategy of industrial action is now directed towards selective strikes in key areas (cash flow, commuters, communications and payroll) to commence on a wide basis throughout London from 18th June on which date, Labour's Employment Secretary, Michael Foot has agreed that negotiations on London Weighting can be entered into. An immediate overtime ban has also been launched and plans are being made for a national stoppage on July 1st.

Islington NALGO, the only London Borough on total strike has been forced to return to work on the basis of substitution of a selective strike. On 20th May, 600 members in Electricity Branches and London Boroughs were already bought out on a selective basis to 'test' the effectiveness of this form of action, in particular in the London Borough of Newham, where the payroll staff are out, before such action is introduced on a wider scale.

It is now clear to many Local Government workers that the timidity of the NALGO leaders' campaign has opened the doors to a serious retreat. No amount of talk about 'change of tactics' should blind the union members to this back-peddling. The climb-down on all out strike action and acceptance of the right of the Tory-inspired pay board to dictate pay levels has caused considerable unease amongst the rank and file.

The initial mistake was the failure to link the campaign with other public sector unions to form joint action. The opportunities for united action abounded, especially with the present wave of anger filling



# LABOUR'S WATERGATE by

## HOW DEEP DOES THE CORRUPTION GO?



T. DAN SMITH Jailed for six years for corruption and conspiracy

### Scandal at Transport House

THE DECISIVE call by the Northern Regional Council of the Labour Party for an enquiry into the structure of corruption in the North East has been a humiliating rebuff for those MPs, councillors and Party officials, from Ron Hayward downwards, who have participated, with varying degrees of consciousness, in the great cover-up of the Poulson and related scandals in recent years.

Transport House is particularly sensitive in any case over the public relations contract it gave to T. Dan Smith from 1963 to 1970. Alice (now Lady) Bacon was chairman of the publicity committee personally pushing through the deal. Peter Ward, the PRO employed by Smith for the job, says the he can only account for less than half of the £35,000 paid out (approx. £60,000 at today's prices). But then, Lady Bacon, a personal friend of Poulson, has always been a generous spender, as is shown by that luxury flat in the Albany she occupied for so many years.

Of Transport House officials, we would commend one in particular, the National Agent, Reg Underhill, as deserving of the most searching scrutiny. A protégé of the late unlamented Miss Sara Barker, a member of what could be loosely described as the Cunningham clique (that was), Underhill's impressive record as a committed witch-hunter of Left wingers in the 1960's contrasts sharply with this hysterical defence of the 'do-nothing' position. When Brian Bastin saw Underhill at Transport House in 1970, Underhill laughed away the proposal that the Labour Party should sort out its corruption problems itself with the statement: 'You must not think that we at the top are children.'

Underhill accuses Eddie Milne of 'corruption by innuendo', of a refusal to substantiate allegations. He understandably refrains from mentioning that the mock enquiry he stage-managed at Blyth this year was specifically deterred, in its terms of reference, from asking questions about Poulson and corruption. The

THE CHARTIST is pleased to publish here a detailed article by RON HEISLER—a sympathiser of the SOCIALIST CHARTER—on the extent of corruption, bureaucratic malpractice, and cover-up involving leading members of the Labour Party.

The significance of these revelations must be fully grasped. The very people who are supposed to be leading the Labour Movement in the struggle for socialism are found to be up to their necks in the very same 'slag heaps' they are pledged to overthrow. What is even worse is the harassment and witch hunting of these who are attempting to uncover corruption before the ranks of Labour sup-

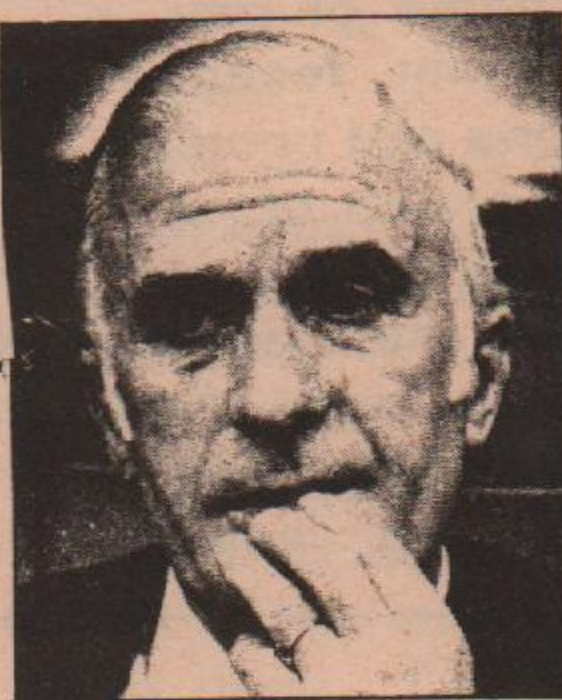
porters.

We have fully backed, from the earliest days, Independent Labour (ex-Labour MP for Blyth) Eddie Milne's call for an internal NEC enquiry into allegations of corruption in the North East Labour Party—which clearly extends beyond the North East.

We do not oppose corruption in the Labour Party because we want capitalism without its 'ugly face' ala Poulson, Lohnro, Lambton, etc. but because it is impossible to lead the working class to power while entrenched in the web of capitalist profiteering and corruption. Capitalism has always been corrupt, and the wealthy used their laws

or ignored them according to the interest of profit-making. But when leaders of the Labour Party have material interests so bound up in the system of private property, it is little wonder they refuse to break from the employers, bankers and monopolists and fight for working class power.

It is for this reason the CHARTIST takes up the struggle to root out from the Labour Party all forms of corruption and collaboration with the capitalist system and its practices.



EDWARD SHORT



MILNE... Sacked for insistence

viewed. Of fifty people offering to give evidence, only either were allowed to do so. Milne was not consulted on the terms of reference. Underhill got what he had planned for. Already in September 1973, Milne had had to write to Underhill complaining of his biased approach to such matters as the rigged Chester-le-Street parliamentary selection earlier in the year. On the 10th February, before the adoption meeting in Blyth, Alf Allen of USDAW, at the instigation of Underhill, rang Milne to say that if he was prepared to accept the Agent Mortakis (i.e. compromise with the 'mafia'), he would be safely readopted that afternoon. Milne refused and the rest has become history.

It is not clear at what point Underhill ceased to be responsible to his employers, the NEC of the Labour Party, but it is impossible to believe he did not sanction a remarkably professional advertisement in the Blyth newspapers during the General Election campaign, which attacked Milne. Certainly it was seen by Ron Evers. It contained what purported to be a summary of the enquiry (alleged by Underhill, to have been concluded). The enquiry report, in actuality was only finished this May. More serious, however, is the list of NEC names attached to the main statement. NEC members were not consulted and the piece constitutes a classic forgery. If Underhill cannot provide a water-right alibi for himself, the NEC should proceed to suspend him.

### Blyth: some facts

The hostility to Eddie Milne among the Blyth 'mafia' is fully explicable if we consider the following salient facts. T. Dan Smith said: 'I think McCullough would be the man behind any broad corruption in Blyth...he got too many jobs.' McCullough, the local builder with monopolistic tendencies, is closely associated with the C.L.P. chairman, Ald.

been built for Smith and his son. Smith prefers to stay in his old house for the time being. He drives a flash new car. His local government career includes being chairman of housing, 1960-64. Not bad going for a school attendance officer, whose wife is a part-time nurse.

McCullough, as well as building houses for Matt Allen, Cunningham's brother-in-law (ex-chairman, North East Development Council) and numerous police officers, has provided a roof over the head for Arthur Moss, the Blyth borough surveyor, and Peter Ferry, chief executive of Blyth Valley Council. At the moment, Moss and Allen are both driving £1,400 cars chargeable to McCullough's account.

Currently under investigation also is the role of Cllrs. J.E. Collier (a former C.L.P. chairman) and Jack Peterson in pushing through a £139,000 improvement grant to Tyneside & County Properties for 181 houses at New Hartley, houses bought in mysterious circumstances from the National Coal Board at a price of £480 per dwelling.



RHODES... Suddenly found his voice



CROSSMAN

### The Wandsworth cover-up

Geoffrey Rhodes' belated admission that in 1965 Richard Crossman was compiling a dossier on corruption, in which T. Dan Smith figured, has brought on Rhodes a predictable smear campaign initiated from No. 10. So far, incidentally, only the dossiers of Downing Street, but not the dossiers of the Ministry of Housing have been searched. The angel's wings now sprouting on Crossman's grave must bring

ent Attlee's definitive comment on him: "Clever chap. No judgement." It was the same Richard Crossman who, in early 1973, cynically explained to a Private Eye journalist that 'T. Dan Smith is an amiable rogue who must be protected and assisted at all costs.'

In 1967 Brian Bastin, a Wandsworth councillor, alleged corruption against Smith at great length in a police interview. Bastin was not a prosecution witness at the trial. If he had been, it is just conceivable the verdict might have gone against Smith. Three years of persistence by Bastin have resulted in a letter, in April this year, from Viscount Colville of the Home Office, informing him that the report of his interview with the police makes no mention of T. Dan Smith.

It came as quite a shock to Dan Smith when he was charged with Sydney Sporle and others in January 1970. He believed that he had a cast-iron case. So did his friends in the Cabinet, such as Crossman and Short. The key figure in all this was another close friend of Smith's, Sir Elwyn Jones, the Attorney General, with whom Smith attempted to discuss the case.

The misdemeanour charge Inspector Mees had prepared in 1969 against Ronald Ash, the Conservative leader, was allowed to lapse through deliberate prevarication by the Director of Public Prosecutions, who was under political pressure. Labour politicians, including Bob Mellish (chairman of the London Labour Party) were eager to avoid having a corruption trial before the 1970 G.L.C. elections.

However, the weight of evidence against Sporle in the end forced the hand of Elwyn Jones. But it was not decided to launch a conspiracy charge involving both political parties on the grounds that: 'it would be a great blow to public morale if it



**RON HEISLER**



CUNNINGHAM Jailed for five years on nine charges of corruption and conspiracy.



JOHN POULSON: A six year jail sentence for corruption

# Italian bosses seek new Mussolini

By Graeme Atkinson

THE FASCIST bombing at an anti-fascist meeting, killing six people in Brescia denotes a new stage in the class struggle in Italy.

Plagued by economic crisis, the Italian ruling class is searching desperately for a solution. Of all the Common Market countries, Italy is the least fitted to cope with the recession on its doorstep. To counteract the effect of the oil crisis and inflation Italian capitalists broke the rules of the EEC by imposing savage import restrictions, causing confidence in Italian currency to sink even further, to an all-time low. These fact-

ors—plus the urgent need to step up productivity and cut wages.

The central obstacle to this, is the working class which since 1969 has been extremely combative in defence of its living standards and unions. The ruling Christian Democrats are reticent about having a head-on clash. Their weakness has caused some to look for a new Mussolini to destroy the Labour movement. Consequently, support is growing for the fascist MSI, and is not limited to industrialists. The alliance cemented with the Christian Democrats during the recent divorce referendum won it new respectability amongst the middle class. Sections of the army officer camp and police also back the MSI, encouraging it in violence against the workers' movement, as at Brescia.

## General Strike

In response to the Brescia incident, a four hour general strike was called and a million participants demonstrated against fascism. Half a million workers attended the funeral of the 6 dead. The will to settle accounts with the fascists is there amongst the workers, so is the burning necessity of a workers' united front to smash fascism present.

Only the class collaboration and legalism of the stalinist-communist party and the trade union leadership prevent these things coming to fruition.

were in collusion to corrupt local government.' As a result, the Lewis's of Balham scandal went unpunished. But T. Dan Smith was also lucky. Having found little resistance of his legal plea for a split trial, he was found not guilty in a trial in which the judge happened to be an old associate from Newcastle. The circumstances in which a partial judge was selected have yet to be explained.

## The Short Way with truth

'Honest' Ted Short still has a lot of 'truths' to divulge. It took him four days after The Sunday Times spelt out his good works for Crudens the builders, in 1963, before he could remember that Dan Smith had never told him he was connected with Crudens. Which is odd, considering Smith is adamant he had always been frank about his Crudens connection in briefing Short.

Short is upset because of press suggestions that other members of his family benefitted from Smith. He could well clear the air by giving a full, not selective statement about his property dealings with Smith, of the financial background to his Glenridding cottage, which he bought in 1963, of the 'commission work' he did for Smith.

Some years ago Short approached a present member of the House of Lords, asking him to use his influence with the CWS Bank to secure a £50-60,000 loan for some developments in which Smith and Short were engaged. When Short indicated he was working on a 'commission' basis, the proposal was rejected. It was felt not to be in the best interests of the Co-operative Movement.

Short claims to have been sold 'for thirty pieces of silver' by Dan Smith to the B.B.C. To the contrary, Smith feels he was miserably let down by Short, who issued a letter making a financial appeal for Smith, but did not actually hand over any money as a result. Smith had to personally see old friends to collect £850.

In 1972 David Ennals hired a public relations expert for the National Association for Mental Health. The following February

the PR man was employed by an MP to 'keep his name out of the papers' in connection with Poulson. It happens that Ennals and Short are old associates, both having been vice-president of the International Friendship League for some years.



"I know nothing" Mellish

Bob Mellish has a bad track-record as a picker of friends. He was the founder secretary of the Anglo-Spanish parliamentary group, a business associate of the Tory MP, Paul Williams (later chairman of the Monday Club), and best mate of both Mr. Cutts and Mr. Sporle of Wandsworth, both of whom proceeded to do 'porridge'.

In recent months Mellish has bored colleagues to distraction with his profuse denials of having ever met T. Dan Smith. His colleagues are recommended to read page 24 of the 1967 Labour Party Report, where under 'Local and Regional Government Advisory Committee' are listed such familiar names as A. Cunningham, T. D. Smith, M. Ward (an employee of Smith's) and—R. J. Mellish.

Mellish's enthusiasm for Open Systems Building (the Poulson scheme) showed itself in his hard sell of OSB at meetings with Ministers and P.P.S.'s. Under Mellish's leadership, the Ministry of Public Building & Works kept a watching brief on Wandsworth developments. During this period at the M. of P.B.&W, Poulson received his most lucrative contracts at Catterick Camp, including the Royal Signals Training School.

When Poulson went bankrupt, since a successor company to his empire wished to stay on the register of government contractors, the Department of the Environment sent auditors in to investigate work Poulson had done for the Ministry. The auditors'

Bob Mellish and Harold Wilson.

report complains of Poulson's 'cavalier attitude' when interviewed, of his failure to give satisfactory explanations of expenditures on items of up to £25,000. It would be interesting to learn what steps have been taken to recover the unexplained amounts—if any!

## Glamorgan Land Swindles

The Police have been investigating allegations of corruption in Glamorgan land deals. Daniel Jones, M.P. for Burnley, a director of a number of companies engaged in property, is on record as having received a consultancy fee of £3,800. Most of the financial backing came from companies in Sir Julian Hodge's banking group, of which one director happened to be John Cunningham, MP son of Andrew Cunningham. James Callaghan appointed Cunningham his PPS shortly after he entered Parliament. Callaghan was in fact a great friend of the Cunningham family—at one time it was a mutually advantageous arrangement. Andrew Cunningham gave strong

backing on the NEC for Callaghan's abortive bid to commit the Labour Party to a Motor Insurance scheme run by Hodge's. After the general election, Callaghan resigned his directorship with Hodge's, but his personal fortune remains still in excess of £400,000. Hodge's empire incidentally was under scrutiny by the Director of Public Prosecutions at one time for mulching shareholders but the DPP decided that it was a simple case of 'Legalised robbery'.

## The Lesson to be learnt

The Labour Party is now at the stage where it must either ruthlessly dissociate itself from the sources of corruption, whether they be MPs, councillors, or Party officials, or lurch into a major crisis of morale. McGarvey has spoken of the rank-and-file being treated like dirt in the North East. This happens to be the unspoken attitude of much of the Party leadership. The Party wreckers are not the Left, the Chartists, or the trade unions with their block votes in the Northern Region. The wreckers are the apologists for corruption who fester at No. 10 Downing Street, Transport House, and in certain Ministeries. The Party leadership now has the choice of either cleaning up the Party, or of being forced to 'give way' to those prepared to do the job honestly.





WORLD ROUND-UP

MIDDLE EAST

# MA'ALOT AND ITS AFTERMATH

Peace—at what price?

by Geoff Bender



Shanty towns in South Lebanon. Israeli jets bombed these homes of Palestinian refugees in reprisal raids.

The killing of the Israeli children at Ma'alot, by members of the Popular Democratic Front for the Liberation of Palestine, was a tragedy—above all for the Palestinian Liberation struggle itself.

The capitalist press, of course, has been lavish on its attacks on the 'terrorists' of the PDFLP, but has hardly a word to say about the violence inflicted by world imperialism on the Palestinians—driven from their homes, and forced to live in refugee camps in the most appalling conditions, for the past 26 years. The particularly brutal nature of the Ma'alot killings must not blind us to this reality—that the very creation of the State of Israel was a blatant act of aggression against the national rights of the Palestinian people, and that the Zionists are the main perpetrators of terror and violence in the Middle East.

The CHARTIST has therefore consistently supported the struggle of the Palestinians, not only against the State of Israel, but also against the rotten feudal regime of King Hussein in Jordan.

Already Israeli jets have exacted bloody retribution for the Ma'alot killings, strafing and bombing refugee camps north of Israel,

while Israeli warships have shelled the Lebanese coast line. Part of the responsibility for the continuance of this terror and counter-terror must rest with those Arab leaders, feudal and bureaucratic, who hold back the struggle against Israel and, using oil and the Palestinians as bargaining counters, negotiated deals with the imperialists who created and maintain the Israeli state. It is significant, however, that those states who have been most active in the struggle against Zionism are those where feudal relics have been swept away and replaced by extensive nationalisation. But even these states in alliance with the middle-class leadership of the Palestinians and backed by the USSR seek to limit the struggle of the workers and peasants of the Middle East to democratic demands and patch up some kind of diplomatic 'peace' with Israeli and world imperialism. The history of this century is tragically

rich in examples of imperialist 'peace', of the kind that Kissinger has scraped together. Vietnam is a particularly good example.

Such a 'peace' can only offer the workers and peasants of the Middle East decade after decade of oppression, suffering and recurrent bloody war. The 'solution' of a west-bank state sandwiched between reactionary Jordan and Zionist Israel must also be rejected for the trap which, in reality, it is.

The despair shown by such actions as the Ma'alot killings is the result of the terror by which Israel was set up and is maintained, the refusal of the Arab leaders to lead the oppressed Palestinian and Arab masses against Israel, and the very misery of life in the refugee camps. These raids show the piteous weakness of the Palestinian Liberation movement. But they also reveal the shakiness of the Israeli Government which can

only offer its people a permanent military economy, universal conscription and recurrent wars. Tremors have been sent throughout the political life of Israel as the changes in the Government show.

Only the military defeat of the Israeli army can open the road to these Jewish workers for the Arab-Jewish workers' unity necessary if peace is ever to be achieved in the Middle East.

This will not be achieved by terror raids but by forcing the Arab leaders to take up the anti-Zionist struggle and the overthrow of those that will not. Along this path a revolutionary leadership can be created to fight for an Arab-Jewish workers' state in Palestine as part of a Socialist Federation of the Middle East—the only way the national rights of the Palestinians and the democratic rights of the Jews can be guaranteed.

PORTUGAL:

# C.P. HEADS OFF REVOLUTION

By Chris Knight

COUNTER-REVOLUTION in Portugal has won its first victory since the "democratic revolution" of April 25. A massive working-class upsurge—culminating in the third week of May in a virtual dual-power situation—has been crushed by the Generals and the Communist Party. The road is now open for Portugal's capitalists and militarists to consolidate their positions and prepare for a Chile-style massacre and coup at a later stage.

Escape

They may well feel they have had a lucky escape. Throughout the month of May, the Portuguese working class—despite the fierce opposition of its official leaders—instinctively refused to halt the "democratic revolution" half way. Miners went on strike and took over the pits. Railway workers operated the trains but refused to collect fares. Lisbon underground workers did the same. Public service workers displaced the managements of their industries. Universities, schools, hospitals and countless other institutions—including newspaper offices—were seized by popular committees of their own staff. A tremendous fraternization with the armed forces took place. More than 8,000 workers at the Lisnave shipyard (one of the largest in Europe) occupied their yard in support of demands for 50 per cent pay-rises. A terrific mobilization focused around "impossible" demands—such as that

minimum wage. The total number of workers on strike reached well over 100,000.



SOLDIER RESPONDS TO CHEERS

Crisis of Power

In this situation, power was slipping from the bourgeoisie's hands. The Junta was not in charge—it was in no position to rely on the Armed Forces ranks to carry out orders to suppress the working class. The Popular Front Government was not in charge either—assuming office

contained ten Liberals, Conservatives and 'technicians' (i.e. bankers, etc.) unelected, without a shred of popular support or organised following and without authority. Only the three socialists and two Communists in the Cabinet, together with their parties in the country, were in a position to save the capitalist regime.

Lenin

When Socialist leader Mario Soares arrived from his exile on April 28, he was greeted by a crowd of 5,000 at the Lisbon railway station. Inevitably, there were fools enough to compare the event with Lenin's return to Russia in April 1917. Soares disclaimed the parallel. "Lenin was a great man", he declared. "I am just a simple militant of my party". He then demonstrated just how inept the comparison was. Lenin, it may be recalled, in April demanded the overthrow of the "revolutionary" and "democratic" Provisional Government as the number one task facing the organizations of the working class. Soares at the railway station put forward a different demand. "Comrades", he told the crowd, "this is the time for unity and not for fighting."

Stalinism in Action

The first issue of "Avant" the

(according to the Morning Star, May 18), "leftism which expresses itself in impatience that does not take into account the relationship of forces in Portugal and which also expresses itself in divisive actions playing into the hands of reaction". It asserted that "the most urgent tasks at the moment for Portugal are the unity between Communists, Socialists, Catholics, Liberals and others..."

The slogan of "unity with the armed forces" has since become the central slogan of the Socialist and Communist Party leaderships. As the workers attempted to take power, the Stalinists in particular—with Goncalves as Minister of Labour—launched into a veritable frenzy of strike-breaking in the name of this same "unity". Each and every anti-union slander by the semi-fascist General Spinoza was supported to the hilt. The strikes were denounced as "disruption by reactionary elements assisted by ultra-left adventurists" (Morning Star, May 31). Goncalves felt sure he could defeat the strikers. "If he succeeds," wrote the Times (May 17) "it would enhance the reputation which the party is trying to establish for moderation and responsibility." On May 31, the British Morning Star reported proudly that "workers in transport and bakeries in Lisbon decided to return to work



# CHARTISM: A MASS WORKERS' MOVEMENT

Part 4 of a series on 'The Struggle for Revolution in Britain'

Chartism was the first mass political movement of the British working class. It demonstrated beyond doubt that the experience of the Grand National Consolidated Trade Union's collapse had not left workers disheartened. More than revolutionary trades unionism was needed; above all political agitation with its roots deep in the working class. Chartism was the organised expression taken by the drive towards mass political involvement. Thus, Chartism marked a new qualitative stage in the history of the working class in Britain.

## TROTSKY

It took only two years for Chartism to emerge after the collapse of the 'Grand National'. The experience of the previous ten years had been valuable and enabled those who had been active in the 'Grand National' to campaign against the 1834 Poor Law and the employers' attacks on wages and unions, as well as for the Charter. Such was the scope of the Chartist activity that Trotsky, in 1925, said of it, 'That for ten years ... Chartism gave us in a compressed and diagrammatic form ... the whole gamut of proletarian struggle — from petitions in Parliament to armed insurrection'.

The birthplace of Chartism as a mass movement was also the birthplace of trade unionism: the industrial North of England. Finding its origin amongst the skilled tradesmen of London, the seeds, once transplanted, took root

rapidly amongst the industrial masses of the North. The end product was hardly what its radical inspirers hoped for.

## SIX POINTS

There were six points to the People's Charter. These were:

1. Equal electoral districts.
2. Abolition of the property qualification for MPs.
3. Universal manhood suffrage.
4. Annual parliaments.
5. Vote by ballot.
6. Payment of MPs.

These demands were first formulated by a body called the London Working Association, which had been set up to attract 'The intelligent and influential portion of the working classes'. The Association was essentially radical in outlook and was opposed to working class politics, frightened of the organised intervention of the working class. The leaders of this tendency, Lovett and Place, later formed the 'moral force' wing of Chartism which was representative of a section of the middle class. Their aim was to tie workers to the more 'progressive' section of the middle class. Whatever their intentions, they could not hold back the working class from independent action. The whole objective development of capitalism was a more powerful force than anything 'moral' that Lovett and Place could counterpose to it.

by Graeme Atkinson

## ENGELS

The six points of the Charter were readily taken up by hundreds of thousands of workers, who saw in these demands a means to alleviate their 'intolerable economic grievances' which had been exacerbated by the economic crisis of 1837. Engels in 1845, analysing the importance of the Chartist movement, wrote, 'Chartism is of an essentially social nature, a class movement. The six points which for the radical bourgeois are the beginning and end of the matter ... are for the proletariat only a means to further ends.'

In the spring of 1838, the six points were drafted as a Parliamentary Bill. It immediately gained mass endorsement from the class. All over England, there were tremendous assemblies of workers in support of the Charter. At a meeting in Manchester, a Chartist leader declared to an audience of 200,000: 'Chartism, my friends, is no political movement where the main point is getting the ballot. Chartism is a knife and fork question: the Charter means a good house, good food and drink, prosperity and short working hours.' In short, every question put by the Charter was a fundamental question for the working class, affecting deeply and penetrating every corner of the workers' lives.



THE NATIONAL CONVENTION, AS IT MET ON MONDAY, FEBRUARY 4, 1839, AT THE BRITISH COFFEE-HOUSE, COCKSPUR STREET, LONDON

The Convention met to organise the presentation of the Charter.

## CONFLICT

The 'moral force' wing of the movement did not see the Charter in this way and strove desperately to block any independent working class action. However, the emergence of the working class as an independent force sharpened the conflict between those who wanted to confine the movement to the reform of capitalism and those who wanted to go beyond this and the middle class radicalism it represented. Out of this contradiction between the barely disguised Liberal leaders and the independent class action of the workers, emerged the 'physical

force' wing of Chartism led by George Julian Harney and Ernest Jones whose ideas, no matter how confused, reflected accurately the aspirations of the working class. Both Harney and Jones stood quite close to Marx politically and saw the movement as potentially revolutionary. Their main concern was to bypass the stifling middle class radicalism of Lovett and to concentrate their attention on establishing the independence of Chartism as a working class movement. Thus, what was at stake were the two central issues which have confronted the working class throughout its history: its political independence and the question of revolution versus reform. Out next issue will look at the implications of this.

## BOOK REVIEW

### War and an Irish Town

by Eamonn McCann

A MARXIST understanding of the history and present situation in Northern Ireland has to place itself against the belief propagated by British politicians, including Labour, that the sole cause of Ireland's 'troubles' is the existence of a handful of 'men of violence'—the I.R.A.

The traditional Tory Party, and the present Labour governments' adherence to the 'armed thugs' view owes everything to the racist belief that the Irish are by nature unruly and irrational.

Eamonn McCann, in his book 'War and an Irish Town' (Penguin Special) demolishes this line of reasoning by locating the root cause of all Ireland's problems in the fact that the country and its people live under the complete domination of British capitalist interests.

McCann argues that the partition of Ireland into Dublin controlled and Westminster aligned sections reflects a division in the interest of the small, Irish capitalist class. One section was based in the engineering and man-



British troops—instruments of 'coercion' in Ireland.

ufacturing industries of the north, which, being profitable and competitive, required the link with Britain in order to gain access to foreign markets.

The other capitalist group held control of only the small weak industry of the south whose existence was threatened by foreign competition. These people, with their Nationalist and Sinn Fein

## A HISTORY OF DIVIDE AND RULE

parties spear-headed the movement for an independent Irish state which could protect the development of native Irish industry. However, enmeshed in the conservative clericalism of the Catholic Church and their own capitalist aspirations the Republican bourgeoisie was incapable of giving a real lead to the only force capable of fighting British imperialism to the end—the united Irish working class.

Since neither section of the Irish capitalist class had a plan for building strong industry throughout Ireland, and with it a guarantee of jobs and living standards for all Irish workers, the working class was split and divided. Catholic workers were found demanding jobs in the existing industries which meant throwing protestant workers out of work, while protestants sought to defend their right to work, which meant keeping the catholics in the ghettos and on the dole.

Derry town is testimony to the

real tragedy of Ireland, which goes beyond and explains the 'irrational' sectarianism of Northern Irish workers and the 'unruly' nature of her young people. The tragedy of grinding poverty, despair and frustration that offers protestants no hope at all and gives catholics no hope at all and gives protestants the fear that unless they are forever vigilant and prepared against the threat from the 'papists', then they might be dragged into the abyss.

The criticism of McCann's book must be that it does not go beyond the painstaking economic and political analysis of the devastation wrecked by British capitalism on the Irish nation to actually outlining the strategy and tactics by which the working class can be united in the struggle for a socialist Republic.

Nevertheless, it is an invaluable study for all socialists who wish to understand the struggle in Ireland and provides the most effective repudiation of Wilson, Heath, Whitelaw, Rees and cos! nonsense about 'sinister coercion' of millions of people by the 'men of violence'.

By Don Flynn



# CHARTIST

LABOUR'S REVOLUTIONARY VOICE No. 20 JUNE 1974 Price 5p

## In Wake of Loyalist Strike

# TROOPS OUT NOW!

CATHOLIC workers in the Six Counties have been placed in dire danger by the victory of the Loyalist general strike. Surrounded in the ghettos by triumphant protestants the threat of sectarian attacks on the nationalist areas is now immediate.

The Ulster Workers' Council's defeat of the power-sharing Executive and Sunningdale is being hailed by the leaders of the reactionary UDA and UVF as the greatest victory for protestant ascendancy since 1921, when the Ulster statelet was formed. At that time, the institutions of sectarian repression were forged for the first time and enshrined in 'legality' by the constitution of Ulster. Having proven their ability to defeat British imperialism's new plans for the province—the Sunningdale formula—nothing will satisfy the Ulster Loyalist's short of a complete return to the old ways of the 'protestant ascendancy'.

But a complete return to these old ways of sectarian oppression and violence against the minority community requires the smashing of the resistance that has grown out of the catholic ghettos since 1968. Catholic resistance to sectarianism has been expressed for the last six years by the political campaigns and military actions of the Civil Rights movement and, most importantly, the Irish Republican Army.

With one 'great' victory under their belt, the extreme danger in the weeks and months ahead is of a Loyalist campaign of violence and terror against the catholic community, aimed at 'rooting out the IRA'. This will be waged on a scale that would make the murders and indiscriminate attacks on catholics of the last year look like a church outing.

Who will defend the catholic community? For the last five years the British army has been waging a war against Irish nationalism. With armed patrols down every street, harrassment, beatings up,

and internment without trial, the desire to 'get the fenians' has been driven home just as hard in the ranks of the army as it has been in the protestant schools and Orange lodges of the Shankhill and Sandy Row. The British army will not defend the ghettos. Neither will the middle-class politicians of the SDLP who so desperately cling to the wreckage of the power-sharing Executive—a last cover for their real powerlessness. And neither the Cosgrave-O'Brien governments of the South, which blames the catholic community's desire for decent living standards and the right to work for provoking the extremists to the other side.

The reality of the situation is that the only defence of the catholic areas that will be forthcoming will be that organised by the catholic workers in those areas themselves. This means that the brigades of the IRA will be predominant in the defence of life and property in the ghettos. Workers and socialists in Britain who refuse to defend Republican organisations in the military struggles in



Loyalist picket during the strike

the months ahead will stand with the right-wing Loyalist movement. The present Labour Government, with its continued use of the army, must be made to accept responsibility for this fact.

Power-sharing and the Executive have been destroyed. The protestant working class, which could never stomach the middle-class politicians conferring over and signing away privileges which they have had to struggle to defend for over fifty years, have

been driven in rebellion into the arms of the extreme right-wing.

Already an enormous groundswell is mounting in the L.P. for a complete and immediate withdrawal of all troops from N.Ireland. The British Army has no right to be in any part of Ireland. It is Labour's responsibility to remove them now, and begin an extensive campaign within the British labour movement for full material support to the anti-unionist, catholic ghettos.

## Labour at the Crossroads

LABOUR'S DECLARED intention on being elected was "to bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families".

After three months in office, little of Labour's programme has been fulfilled. All the problems remain: a trade deficit of £391m, prices rising at 20% per year, and wages held down by TORY wage laws. In April alone, prices soared by 3.4% making six million eligible for threshold in creases of 40p or 80p a week.

"Very ugly indeed" is how CBI boss Campbell Adamson described the situation. Sir Frederick Catherwood, another leading employers' spokesmen predict millions unemployed and a sharp decline in living standards. The

ruling class want workers to pay for the economic crisis with high unemployment and low wages.

Why, then, is Labour's election programme lying on the shelf? The reason is that Wilson, Foot and Co. are far too busy meeting the requirements of the employers and bankers to listen to the millions who elected them. Already, Foot is preparing a document whose outcome will be a pay freeze. The "social contract" is an instrument for class collaboration. Labour was not returned to use Heath's policies against the working class.

The employers are launching a counter-attack against Labour's programme. Wilson's refusal to honour his election promises only helps the Tories. The Labour government is at the crossroads.

A massive campaign to implement the programme by scrapping the Industrial Relations Act, and the Pay Board combined with the nationalisation of shipbuilding, aircraft, development land, construction, machine tools, road haulage, the ports and North sea oil, as promised in the election manifesto would win immediate mass support. But this would mean a challenge to the power of the capitalist class. That is why Wilson and the Labour leadership is in retreat.

Workers want this programme carried out that is why they voted for it. The strength of the whole Labour movement must be mobilised (and conference must be recalled) to demand that Labour breaks from the capitalists and take the power to implement its programme.

**Inside: Labour Corruption Scandal**