

TROTSKYISM TODAY ★

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THEORETICAL SUPPLEMENT TO SOCIALIST PRESS



EPS Workers threatened with redundancy lobby the Oxford District Office of the TGWU demanding officials break with the job-slashing Ryder participation scheme.

THE FIGHT FOR REVOLUTIONARY LEADERSHIP

In this and several coming editions of 'Trotskyism Today' we will be publishing the Perspectives documents adopted at the First Annual Conference of the Workers Socialist League last December. We begin here with the first section of the Perspectives document for Britain, which was written in mid-September last year.

Part One: The Economic Crisis

The current disgraceful scramble by reformist politicians and TUC leaders (protected by 'lefts' and Stalinist hangers-on) to ingratiate themselves with British and world speculators, bankers and industrialists, offering "on behalf of" their silenced members to accept huge pay cuts in order supposedly to "save the pound" highlights today's interconnection of the political and economic crises of capitalism. These combined crises drive the leaders more to betray as they drive the employers the more desperately onto the attack.

The end of the unstable economic equilibrium of the period of post-war boom has brought since the late 1960s a marked upsurge of class struggle on a world scale. Starting with the spectacular General Strike and revolutionary upheavals in France in mid 1968, this upsurge expressed itself most clearly in Britain with the overthrow of the Heath government in February 1974.

The same year saw the downfall of the Greek Junta and Portuguese fascism — foreshadowing even greater and more developed struggles in 1975, the year in which US imperialism went to crushing defeat alongside its puppets in Indo-China. The victory of the MPLA forces against the CIA-South African backed opposition in Angola this year is a further indication of the growing strength and confidence of the colonial masses as part of this world wide forward movement.

WEAKENED

The last eight years, then, have been years of struggle in which a weakened imperialism has been forced to confront workers and oppressed masses better organised, more

resolute, and stronger than at any time in their history.

The setbacks in Argentina and Chile, in the face of this movement, show clearly however that these mass spontaneous struggles are not in themselves sufficient to defeat imperialism. Political consciousness and a leadership steered in the fight against Stalinism and reformism are crucial to avoid the possibility of defeat.

Indeed even without the victorious struggles over the last eight years the working class has continuously confronted a reformist and Stalinist leadership more bankrupt and more desperate to sacrifice their members on the altar of "peaceful coexistence" with capitalism than ever before.

It is the limitations imposed by these leaderships together with the mass following they still hold within the working class which they daily betray, and the dangers of the present situation that show us the vital tasks of the Workers Socialist League and of the Fourth International we seek to rebuild.

It falls on Trotskyists to give political leadership to the worldwide struggle against

imperialism and for the overthrow of the Stalinist bureaucracy and political revolution in the degenerate workers' states.

The break up of the boom has opened up all those questions of political leadership. It has made impossible the militant but largely non-political pursuit of wage increases and improved living standards which characterised the struggles of workers in the 1950s and early 1960s.

It has turned each employer — striving to dodge his share of the crisis — to seek every avenue to drive up the rate of exploitation through urgent speed-up, rationalisation and redundancies.

MANAGEMENT

And it has forced the Labour and trade union leaders who seek simply to "reform" the crisis-ridden system into open advocacy of the employers' arguments, into actual management roles through "participation" and the close collaboration established between Labour government, CBI and TUC. And this change, (with some national variations) has taken place in every major capitalist country simultaneously.

Through the 19th century, capitalism, despite its vicious exploitation of the working class, played an overall progressive role in freeing the productive forces from the restrictions of feudalism and developing the division of labour on a world scale.

But since the turn of the century, with the growth of monopoly and the complete division of the world between rival imper-

ialist powers, the social contradictions of capitalism had intensified to the point where capitalist private property became an absolute fetter on the further development of production.

Lenin, analysing these developments in *Imperialism, the Highest Stage of Capitalism*, showed how our epoch was one of "capitalism in decline or more precisely... moribund capitalism". He shows how the emergence of monopoly from capitalism, which reflected the incompatibility of the advanced means of production with individual private ownership and foreshadows the centralisation of planning and production that would take place under socialism, threw an even greater burden of oppression onto the working class.

WAR

This emerged clearly in the first imperialist World War. By 1914, the imperialist expansion of European capital had ceased to be sufficient to offset the general tendency of the rate of profit to fall. Capitalism could no longer exploit new sources of surplus value on a sufficient scale to preserve the value of European capital.

With the world already divided up between competing super-powers, new fields for imperialist expansion could only be found in a redistribution of the spoils. Thus the closing years of the last century saw the intensification of the imperialist competition for markets and for sources of surplus value, which engendered the conflicts leading up to World War I.

Only war could undertake the redistribution of markets and the destruction of excess capital on a sufficient scale to restore the rate of profit for the surviving capitalists.

However, the war, combined with the unprecedented resurgence and strengthening of the working class movement before and after the hostilities, not only failed to resolve these problems, but objectively worsened the plight of imperialism.

Tsarist Russia was taken out of its sphere altogether, while revolutionary upsurges throughout Europe forced the post-war bourgeoisie on to the defensive. In many states, sophs and reforms were conceded to contain this upsurge, while a more comprehensive political counter offensive and attack on living standards was prepared, using to the full the treachery of the social-chauvinists in the reformist parties.

UNRESOLVED

At the same time, although the world hegemony of British imperialism and of sterling as the major world currency had been shattered once and for all, the US dollar was not yet able to replace it. The political and economic crisis remained unresolved throughout the 1920s and 1930s.

Throughout this period, capitalism rested not so much on its residual strength, but more on the crisis of leadership in the working class. The degeneration of the Comintern under Stalin on the one hand and the continuing treachery of social democracy on the other combined to lead workers time and time again to defeat at the hands of imperialism.

Where the betrayals of these leaders were not enough, the last card of fascism was played by a desperate bourgeoisie, driven to liquidate all vestiges of proletarian independence in order to restore profitability. And here too, in each case, the door was opened to the fascist dictatorship by the reformists and Stalinists.

This is why, of all the possible variants discussed by Trotsky in his analysis of 1921, it was the worst of all that turned out to be the case:

"If we grant — and let us grant it for the moment — that the working class fails to rise in revolutionary struggles, but allows the bourgeoisie the opportunity to rule the world's destiny for a long number of years, say two or three decades, then assuredly some sort of new equilibrium will be established. Europe will be thrown violently into reverse gear. Millions of European workers will die from unemployment and malnutrition. The United States will be compelled to re-orient itself on the world market, reconvert its industry, and suffer curtailment for a considerable period. Afterwards, after a new world division of labour is thus established in agony for 15 or 20 or 25 years, a new epoch of capitalist upswing might perhaps ensue."



But this entire conception is exceedingly abstract and one-sided. Matters are pictured here as if the proletariat had ceased to struggle."

(Trotsky, *First Five Years of the Communist International*, p.263)

Trotsky could of course little anticipate the extent to which the great revolutionary tradition of Bolshevism would be liquidated by Stalin, enabling the bourgeoisie to engulf mankind for a second time in the holocaust of a world war.

Twenty five years of economic stagnation and decay, followed by the immense destruction of the war itself, finally provided the conditions for the re-establishment of an equilibrium of world capitalist accumulation.

The wholesale destruction of human and capital resources during the war, the emergence of American imperialism as the overwhelming economic and military power, together with the defeats inflicted on the working class worldwide through the direct treachery of the Stalinist and reformist leaders, combined to temporarily overcome the contradictions that had wracked world imperialism.

SWEPT AWAY

The war, completely sweeping away the old pattern of inter-imperialist relations, eliminating a large part of British capital's foreign shareholdings and ending the basis for the British Empire, placed the USA, holding two-thirds of the world's productive capacity and 75% of its capital in an undisputed position as the dominant imperialist power.

From this position of economic dominance, the USA was able to take on the role of defender of imperialism and political arbiter of the relations between nation states on a world scale. In the Bretton Woods Agreement and the General Agreement on Tariffs and Trade (G.A.T.T.) the USA forced the other imperialist powers to accept a world monetary system based on the dollar as an international reserve currency and a general reduction of preferential tariffs on world trade.

The agreement for the dollar to act as international reserve currency, formally tied to gold at 35 dollars to the ounce, rested on the strength of the USA and the worldwide demand for US commodities. With the dollar acting as an internationally accepted means of payment and the foundation of a stable monetary system, the basis was laid for the restoration and expansion of world trade and for the development of the credit system.

Of course, simply the provision of a universally acceptable world currency, was not in itself a guarantee of stable capitalist accumulation — certainly not to the extent of opening up over twenty years of the most sustained growth of the productive forces in its history. For this a massive restructuring of capital and increase in exploitation to restore profitable production was necessary.

EXPLOITATION

The destruction of large parts of the most outdated plant and equipment in the war, and the concentration and centralisation of capital encouraged by the massive war contracts, together cleared the way for a substantial increase of exploitation and the productivity of labour to be forced through, while at the same time eliminating excess capital.

Key to this was the collaboration of the Stalinist and reformist leaders during and after the war. These parties, continuing to hold the confidence of the masses (partly as a result of the huge objective difficulties confronted before and during the war by the small and still inexperienced forces of the Fourth International) played a crucial role in

Unemployed workers demonstrate in Trafalgar Square in the 1930s.



Union officials join with management in 1945 in the Anglo-American Council on Productivity, conspiring to force more speed up on backs of workers.

France, Italy and Greece.

In Britain, their backing during the war for rigid wage controls, anti-strike laws and Joint Production Committees to jack up exploitation through speed-up, was followed after the war by support for continued wage controls and for joint productivity committees which brought in the most advanced American techniques.

Even so, despite all the efforts of the bourgeoisie and their allies throughout Europe, whole sections of capitalist industry could no longer realise an adequate profit. In Britain this crisis was particularly acute. The mines, railways, electricity supply and other sectors with an especially high organic composition of capital could not be maintained, let alone restored to profitable production without massive investment which their owners were entirely incapable of carrying out.

The Labour government stepped in to inject large amounts of cash and to take over the debts and the management of these industries in the interest of the whole capitalist class. The holdings of the old owners were nationalised, providing them with lavish compensation for their run-down and unprofitable enterprises.

RATIONALISATION

This 'nationalisation', of course, in no way served to benefit the workers in the industry. Management remained in the hands of the old managers, while jobs were reduced and rationalisation introduced to provide cheap inputs of basic materials to private industry. The need for state-takeover of these industries highlights the inability of capitalist production to take forward the development of the productive forces in a stable manner.

At the same time, the state was also forced to massively extend the provision of education, welfare and health services as a concession to the strength of the working class, which in Britain had swept a Labour government into office with its biggest ever majority. This was part of the price paid by capitalism for the maintenance of a collaborationist leadership in the working class.

Thus, it was on the basis of the systematic betrayal of the working class over three decades, the renewal and rationalisation of capital on a massive scale during and after the war, and the stabilisation and expansion of the world market disrupted by years of

US imperialism, that the post-war expansion of capitalism got underway.

But though after two world wars and years of depression and decay, capitalism was able finally to break through the barriers it had itself created and enter into a new period of equilibrium, the fundamental contradictions of capitalism in the imperialist epoch could in no way be abolished. As the "boom" went on, these self-same barriers were inevitably re-created.

OVERPRODUCTION

The vast accumulation of capital during the boom turned inevitably into over-accumulation — the overproduction of goods, not insofar as they serve social needs, but insofar as they serve as capital.

The overproduction of capital (which Marx regarded as 'the essential phenomenon in all crises') is an expression of the fact that capital in its search for profit is driven to expand accumulation *without limit* but must do so on a base which is necessarily *limited* — exploitable living labour.

As only living labour produces surplus value, the amount of surplus value relative to the value of capital tends to decline and so the rate of profit tends to fall.

This tendency for the rate of profit to fall, re-emerging with renewed accumulation, is a fundamental historical contradiction of capitalist production. While capitalism constantly revolutionises the productive forces, driven on by the need to accumulate, in doing so the productive forces inevitably come into conflict with the limited social relations of capitalist production.

With every increase in labour productivity the amount of living labour embodied in each commodity is minimised. Fewer and fewer workers are required to set in motion an increasing quantity of dead labour (capital) in every sector. As only living labour power produces surplus value, the amount of surplus value relative to constant capital declines and the rate of profit tends to fall.

RATE OF PROFIT

Competition between capitalists for the restricted mass of profit intensifies, with the ability of whole sections of capital to yield an adequate rate of profit being called into question.

The inevitable result is a tendency to crisis, with the maintenance and develop-

threatened by the demand of capitalism for an ever greater expansion of profit. The existence of capital itself becomes the barrier to any further development of production.

The decline in the rate of profit as the boom got underway did not at first lead to any restriction in production. The expansion of credit, together with the steady increase in state spending, for a whole period allowed a continued growth of production, but at the expense of a further undermining of the basis for capitalist production.

Credit itself is a normal means of financing capital outlay; the expansion of credit is viable in so far as it leads to an expansion of surplus value and of profitable production. In the 1950s and 1960s however, with the rate of profit declining, the expansion of credit, though it enabled production to continue at a higher level meant also that sectors of industry with a low or non-existent rate of profit were maintained.

CREDIT

This extension of credit beyond the base of profitable production fuelled a steadily growing rate of inflation. This inflation is itself part of the attempt by capital to struggle against the effects of the falling rate of profit through cutting real wages.

As long as the working class was able to offset this inflation through wage increases then inflation was ineffective in restoring the rate of profit.

In fact the mounting inflation itself has become one of the factors threatening the stability of capitalism. It wipes out profits in the very act of trying to preserve them and an uncontrollable spiral is threatened.

Alongside this increase in credit went a growth of state spending both on the nationalised industries and to finance an expansion of government employment in social services, education, health and local and central government.

The state spending on the nationalised industries, associated with massive speed-up and rationalisation, served largely to cheapen the costs of inputs essential to private industry. Though this expenditure was paid for via the state, out of the revenue of the capitalist class, it served ultimately to transfer surplus value through cheap inputs to sections of capitalists.

SOCIAL SERVICES

The expansion of other areas of state spending — the social services, etc — must be seen in a different way. Generally unproductive from the standpoint of capitalism, the expansion of these services serves to exacerbate the falling rate of profit.

As the number of workers in manufacturing industry fell, as productivity increased without a corresponding expansion in the overall market, successive capitalist governments were forced by the strength of the working class to maintain relatively full employment by an expansion of the state sector.

A considerable part of this expenditure neither enters into the process of capital accumulation nor forms part of the value of labour power; it must be financed out of a deduction from surplus value and so exacerbates the fall in the rate of profit.

The increasing proportion of state spending which has taken the form of hand-outs to sections of capital facing imminent collapse represents merely a redistribution of surplus value. In relieving the immediate problems of the least profitable sections of capital, this kind of expenditure worsens the problems of the rest.

The consequent increase in state spending from 36.5% of GNP in 1957 to 51.4% in 1973 meant an increasing portion of total surplus value was being expended unproductively by the state. Because of the resistance of the working class to wage cuts through tax increases and the already sharp decline in the rate of profit, this additional expenditure was met by deficit financing, further expanding the money supply, fueling a further boost to inflation.

LOANS AND GRANTS

In the aftermath of the war capitalist industry in Europe and Japan was re-established with the aid of massive loans and grants from the USA under the Marshall Plan. The US imperialists' decision to restore their competitors' economies as an outlet for their exports, rather than maintain their domination of 'poor relations' perpetually threatened by their own working class, was to lead to an undermining of American dominance and of the stable monetary system.

As world trade became re-established after the war, these countries, rebuilding on the basis of the most advanced techniques, began to challenge the market positions of first Britain and then the USA. Britain in particular, though it gained a head start in a number of markets (for instance, exporting 75% of its car production in 1950 and cornering 52% of the world market) was soon challenged by European industries whose goods were produced more cheaply.

Gradually in the post-war period, the pattern of world trade shifted away from Britain and the USA towards Europe and Japan. (The share of Britain and the USA in



Mines - nationalised in 1945, but under state-appointed managers.

world exports declined from 35% in 1948 to only 25% in 1968 and continued to fall).

DECLINING

With sharpening competition on world markets as the imperialist nations fought to maintain their share of a declining mass of profits, this shifted pattern of trade came into conflict with the monetary system established post-war. The Bretton Woods agreement had established the dollar as an international means of payment, tied to gold at 35 dollars to the ounce, and with other currencies tied to a fixed dollar exchange rate.

The link between the dollar and gold was not of immediate importance in this period as the overwhelming strength of the US economy meant that what foreign capitalists wanted with their dollars was not gold, but US commodities. However, as Germany and Japan began to contest America's position on the world market, and the USA's growth rate slowed and its balance of payments went into deficit, increasingly large dollar holders demanded they be converted into gold by the US treasury and the dollar's position was challenged.

This led by August 1971 to the complete suspension of convertibility by the US government and the devaluation of the dollar. With the exchange rates of currencies severed from any connection with gold as an objective standard of value, the existence of any stable means of payment on the world market is increasingly endangered, threatening a collapse of world trade itself.

This severance of the link between the dollar and gold was the result of the decline in the relative strength of the United States in relation to the other imperialist economies.

CONSEQUENCE

The immediate consequence of the suspension of dollar convertibility was to relax the external constraints on the monetary and credit policies of each domestic government. To aid the efforts of their own industries to expand production and exports, each national government moved to expand credit, assisting the development of the "mini-boom" of 72-73, while at the

same time giving a massive boost to inflation.

No monetary policy, however, could alter the fact of the steady decline in the rate of profit. With the collapse of the "mini-boom", all the major imperialist countries were faced with a crisis of historic proportions, the grounds for which had been laid in the preceding two decades.

In each country, production slumped, bringing record unemployment and a string of bankruptcies in major industrial and commercial companies, while inflation climbed to record levels. All the measures (expansion of credit, state spending, government subsidies) which had served to disguise the falling rate of profit and stave off the crisis were immediately identified by the bourgeoisie as their opposite — as the cause of the crisis itself. But the roots of the crisis do not lie in any particular measure taken by the bourgeoisie; what the crisis signifies is the complete historical impasse reached by capitalist production.

Having developed the productive forces and the productivity of labour beyond the limits of the existing capitalist social relations, capitalism turns now to devour and destroy the wealth it has created.

While capitalist society produces too little relative to human needs, it produces too much relative to the surplus value available for the further accumulation of capital.

This social crisis can only be resolved in the interest of the whole of mankind by the working class under revolutionary leadership establishing the dictatorship of the proletariat and replacing the stagnation, chaos and destruction of capitalism's death agony by conscious planning of production.

It is of course theoretically conceivable that as in the 1920s decades of reaction accompanied by the massive destruction of productive forces, together with a major redivision of the world between the rival imperialists and the suppression and degradation of the working class through unemployment and fascism could restore capitalism once again to new equilibrium. But for this to occur capitalism must confront a working class movement stronger than ever before.



British shipbuilding industry : with aircraft, the latest candidate for government-backed rationalisation.

This strength too is a consequence of the years of "boom". Right throughout the period of the 50s and 60s capitalism in general avoided any head-on confrontation with the working class.

Unemployment was kept to a relatively low level and standards of living gradually rose (though by less than the growth in productive capacity). It is this strength of the working class, revealing itself in the forward movement of the working class internationally, which capitalism must now crush.

At the same time, of course, the years of relative prosperity allowed a right wing bureaucracy to entrench itself at the head of the trade unions and mass workers parties in many countries and fostered all sorts of illusions in unprincipled compromise and simply trade union methods. It is to this bureaucracy that imperialism now turns to defend itself.

In Britain, it is through the Labour government that the ruling class moves to mount a massive attack on the strength of the working class. Through the 'social contract' and two years of wage restraint, massive cuts in real wages are introduced, while the pretence of price control is rapidly abandoned.

Alongside this goes the attempt to drastically cut all the social services established in the years of "boom", attacking the jobs of workers in the public sector and the millions of workers who benefit from these services. At the same time in the state-run nationalised industries and those financed by government handouts, speed-up and rationalisation are imposed to increase the level of exploitation and cut the bill of government finance.

Going alongside this is a programme of closures and rationalisations systematically planned by the industrialists and aided by government loans and subsidies. Every one of these moves depends for its implementation on the willing help and assistance of the reformist and Stalinist leaderships in the unions.

Even so, vicious and drastic as they are, the cuts, redundancies and speed-up imposed by the Labour government remain trifling

compared to the destruction of capital and the increase in exploitation necessary to even preserve British capitalism.

The Labour leaders, "left" and right, who bind the working class to their reactionary schemes to restore British capitalism whether by economic expansion and reactionary import controls or by restraint and retrenchment, not only destroy jobs and living standards today, but pave the way for more vicious attacks tomorrow.

The economic recovery looked to by both capitalists and labour leaders alike, will not bring with it any abatement of the crisis either in Britain or internationally.

The combination of anti-working class measures through which capital attempts to resolve its crisis makes clear that the resistance of the working class can only be successful if it is based on the Transitional Programme of the Fourth International.

The demands of the Programme correspond individually to each of the measures which is taken by capital. The demands in their totality represent the only basis for a completely independent working class response to the crisis — one which will lead to a socialist resolution of the capitalist crisis.



Health workers march against the cuts.

The slight economic upturn developing over the last six months has scarcely reduced the level of unemployment in any of the major imperialist countries and leaves production still well below the level achieved at the height of the 1973 "mini-boom", while already inflation rates are beginning to creep upwards.

Whether the major economic powers opt to encourage another short-lived boom through monetary expansion or to try to curb inflation by restrictive policies (and it seems the latter is the case) the international crisis will be in no way resolved.

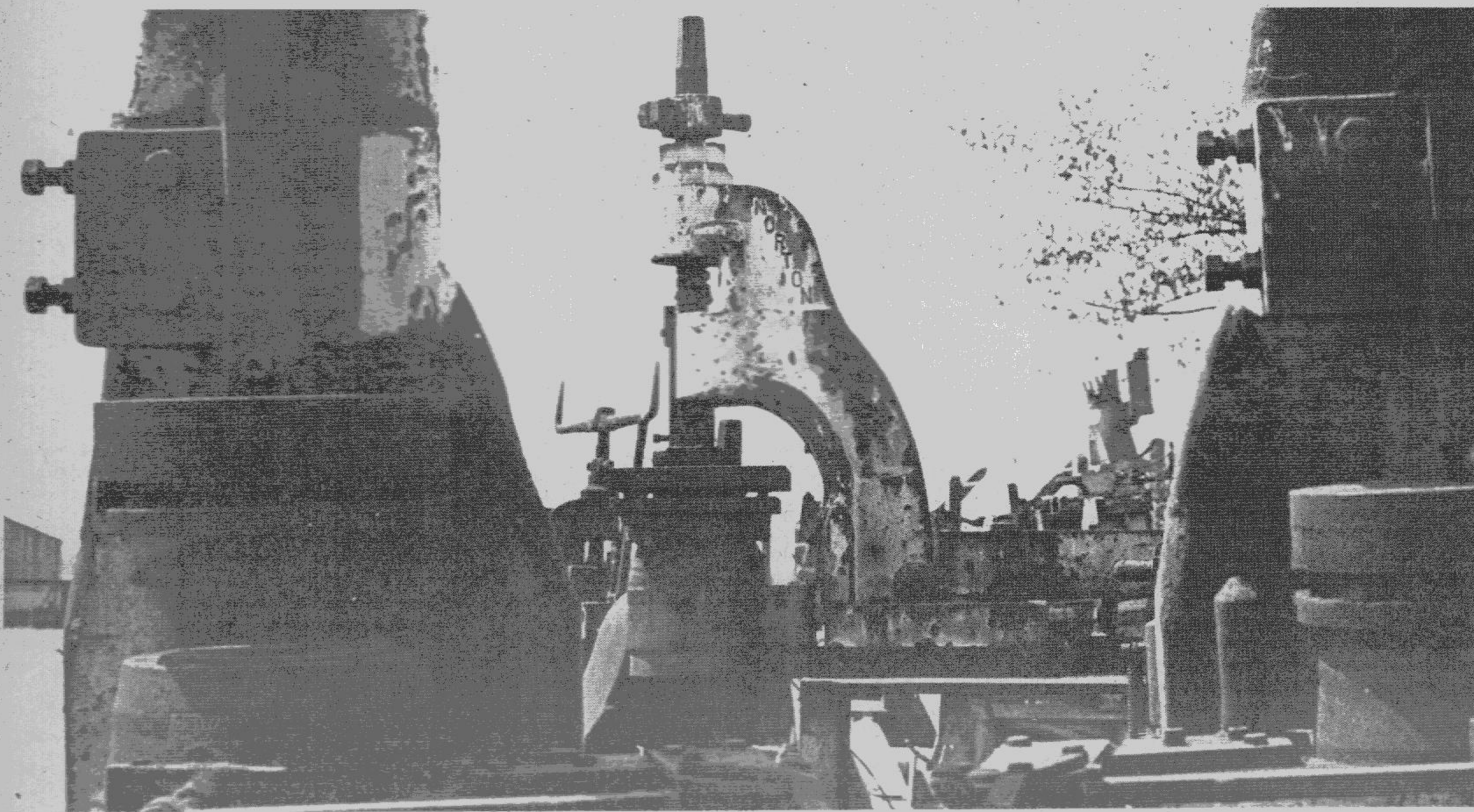
ANTAGONISM

Both inflationary expansion and continued recession will serve to intensify the antagonisms between the imperialist powers as they challenge each other for shares of the world market.

For British capitalism, either will bring a further sharpening of the crisis, whether by the continued strangulation of its economy in recession or a short lived boom sending inflation upwards once more, followed by a series of bankruptcies as it collapses.

Already the last six months have seen the value of the pound tumble by more than 10% on international markets with no appreciable increase in its exports. Constrained by its massive indebtedness to international banks, British capitalism already faced with a small, but significant increase in money supply, will be unable to resort to any large degree to an expansion of credit to boost output, but will be forced to attempt all the more sharply to push through their attack on the working class.

In these conditions the crisis of leader-



Obsolete machines - capitalism continuously seeks to replace labour by machinery.

ship in the working class can only deepen as the bureaucracy is pushed more and more openly to act as the policeman for the capitalists and to come into conflict with the resistance of the working class to these attacks.

These conditions underline the importance of the building of the Workers Socialist League and the taking of its programme and principles into every struggle of the working class, as part of the international task of reconstructing the Fourth International.

Part Two: The Labour Government

As the pound plummets in the international markets, the power of the working class, although muted in this period by the betrayals of its leadership, has opened with the seamen's settlement a jagged crack in the wage-cutting social contract.

This throws into question how long this reactionary deal, drawn up with the Labour government by Jack Jones and the TUC bureaucrats, can last in the face of growing working class resistance.

Indeed the working class have succeeded in cracking the social contract despite the fact that the vote for strike action by the seamen drew out into the open as never before the logic of the reactionary policies of the reformist leaders of the TUC.

As the strike deadline approached, the confrontation came *not* with the shipowners as in the past, nor even with the Labour government as in 1966, but with Jones, Scanlon and the General Council of the TUC in the employers' chair.

Massive pressure was applied to the NUS negotiators. Jones was quoted as asking General Secretary Slater if he was prepared to destroy his union, the economy and the Labour government.

The talks of 'destroying' the seamen's union could only have been an open threat by Jones that if they took action, he would use the power of the T&GWU to attempt to smash the NUS as a union.

EXPULSION

Central to this was the threat to expel the NUS from the TUC. This step would then have been used as a pretext for arguing that the seamen were "no longer in the labour movement". And this would have been followed up by issuing instructions to dockers and transport drivers to work 'blackened' ships.

Slater, who has been a consistent supporter of the capitalist arguments used to back up the social contract was in no position to resist this pressure.

Had he opposed the social contract from the start, and adopted a clear position of defending the living standards of his members through demanding a sliding scale of wages to keep pace with inflation he would not only have been able to defeat the TUC leaders but also in a position to smash the entire wage-cutting strategy of the Labour government.

In the result, Slater's betrayal in using his casting vote to call off the strike was that his action prevented the seamen from smashing the social contract there and then on behalf of the whole working class.

Battered by arguments about the economy and the pound and the need to 'save the Labour government' at any price, Slater was in no position to see that the strike-breaking policies of the TUC would have stood little chance of success. Already key sections of workers were declaring support for the seamen.

STRENGTH

These solidarity moves by workers reflected the strength of the working class. That same strength found its expression on the seamen's leadership in the seven votes which held out consistently for strike action and against the eventual compromise.

Indeed the problem for Jones and Murray acting on behalf of the shipowners was that they were not in reality fighting Slater — who had already accepted the social contract and voted for the 4½% deal — but the working class behind him, who have not accepted the 4½%, and were pressurising Slater into action.

The 4½% as we have consistently argued was not accepted by the working class, but on their behalf by the TUC bureaucrats, who manoeuvred bogus 'majority' support for it by denying workers either a voice or a spark of principled leadership.



Part of the huge November 17th march against the Cuts.

Indeed such is the hostility to the 4½% deal that even extreme right winger Terry Duffy, Midlands AUEW Executive Committee delegate, was forced to admit after the seamen's deal that:

"You have no idea of the hostility I have already encountered from men reluctant to swallow pay restraint for another year."

It was a hostility that forced Duffy to further point out that:

"If the seamen are awarded fringe benefits, my members will want each and every one as well."

And in the wake of the seamen's settlement in excess of five million workers are now lined up to pursue fringe benefit claims. Given leadership, there is no doubt that this body of workers would take up the fight for wages rather than fringe benefits.

While living standards continue to fall, and while the TUC leaders pontificate about the 'evils' of unemployment caused by government spending cuts, the cuts in both social services and local government are well under way in every area. They are being forced through with the full collaboration of trade union officials, in spite of the massive hostility to such policies within the working class itself.

Indeed, the only consistent voice raised in calling for a policy of all-out strike action and occupations to halt the cuts and closures has come from the Workers Socialist League. This policy now emerges as the *only* possible way of preventing the continual erosion of jobs, conditions and services. And it has found a response amongst workers in struggle, as at the Elizabeth Garrett Ander-

Gone for good is the period of the fifties and early sixties, in which capitalist stability seemed assured, enabling the bourgeoisie to make concessions, while the trade union leaders and Labour leaders strengthened their following by championing and winning improved wages, conditions and social services.

Rather we are now in a period as described in the Transitional Programme, when:

"... in general, there can be no discussion of systematic social reforms and the raising of the masses' living standards; when every serious demand of the proletariat and even every serious demand of the petty-bourgeoisie inevitably reaches beyond the limits of capitalist property relations and of the bourgeois state." (p.8)

The leadership which emerged in the 'boom' period of the 50s and 60s was able to achieve concessions in response to the developing strength of the working class, despite its own collaboration with capitalism.

SAME LEADERS

But now we see it is these *same* trade union and Labour leaders (following essentially the *same* political lines as before, though now in a period of sharp crisis and slump) which defends *capitalism today* in the name of vague and illusory "reforms" promised for "tomorrow".

As successive rounds of government spending cuts have shown, the twin policies of mass unemployment and wage-cutting are not *alternatives* now for capitalism, but are to be employed side-by-side in rationalising capitalist industry, attacking and weakening the working class, and driving up the rate of exploitation.

The plans to rationalise British Steel and British Leyland (under the Ryder plan) both show clearly the direction of the government's reformist policy of preserving and re-equipping capitalism. Massive sums of state finance are being made available to sustain an investment programme in these two industries.

The money is coming, in good part, from the huge cuts in social service spending in successive Healey budget packages. This step itself of course creates further unemployment and eats away at the living standards of the working class as a whole.

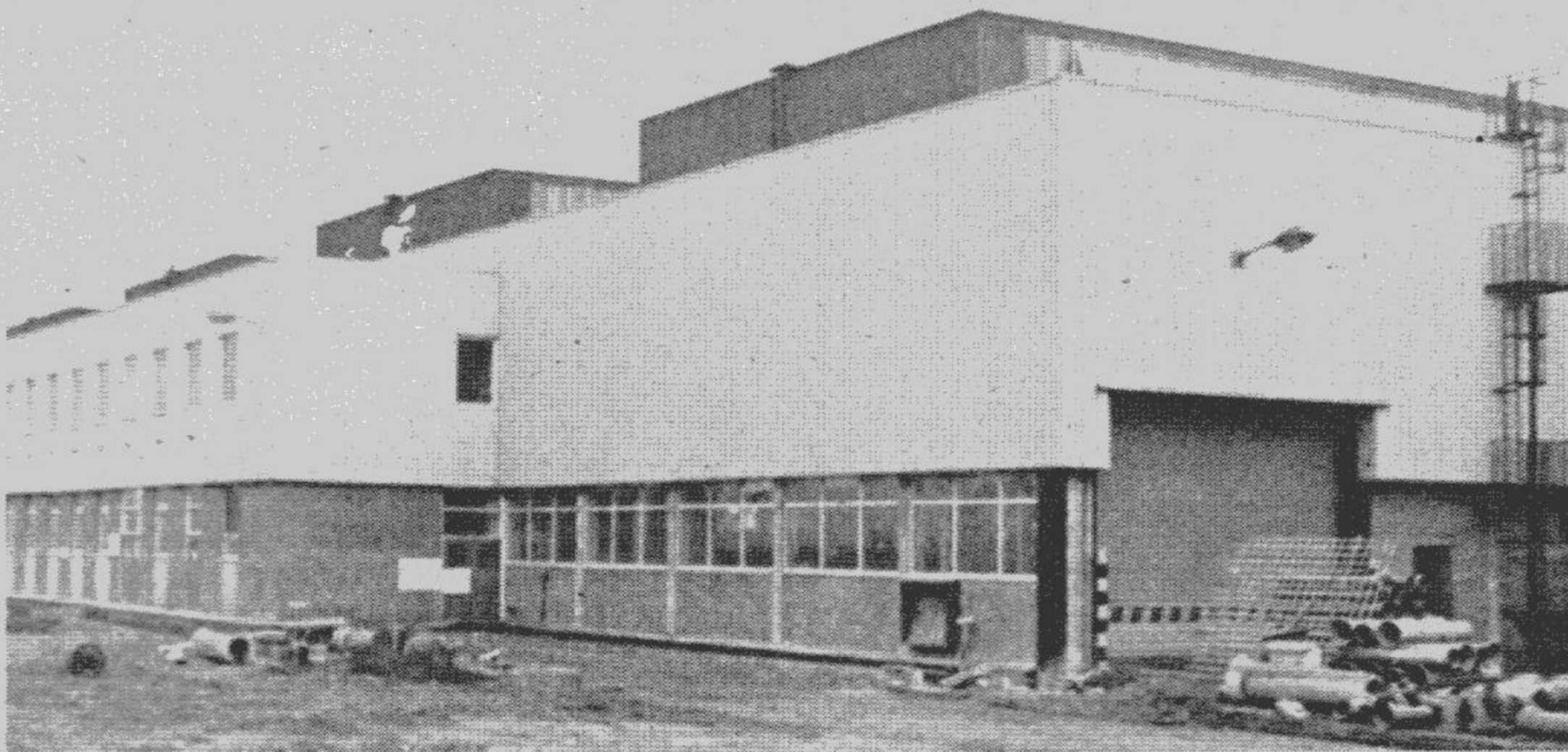
And yet the money when invested in Leyland or BSC will take the form *not* of additional labour, but of new plant and equipment, which will again slash the number of available jobs and force up the exploitation of the workforce.

This pincers strategy — attacking jobs on two simultaneous fronts — is at the very crux of last year's "Chequers Plan" drawn up jointly by Labour government, CBI and TUC.

And central to the whole survival of this plan is of course a continuing full-scale collaboration between the Labour leaders and the TUC bureaucrats in forcing speed-up on to the backs of the working class.

Only this can enable the Callaghan government to get away for the time being with policies which it would be impossible for a Tory government to carry through peacefully.

Continued in Next Edition



New Building at Leyland's Longbridge works: CP leadership there has already conceded Company dictated manning levels - before the new Mini lines are even built!

But even while the seamen forced this crack in the social contract, enormous lessons for the working class are posed by the treachery of their leadership in this fight. That the TUC leaders, backed by their army of full-time officials and their Stalinist hangers-on have now *openly* emerged as the chief strike-breakers for the employers in front of the working class is a development of fundamental significance.

And it links up with their policy in every industry. Their strike-breaking has been most blatantly extended into British Leyland, where official T&GWU and AUEW policy is now to maintain full production at all costs, outlawing even strikes which they would concede to be justified, in the name of the 'viability' of Leyland.

To defend even the most basic trade union rights in Leyland now means to confront not simply the employer, but local union officials, national officials, the TUC, and of course the Labour government itself.

But the problem the bureaucracy now face in implementing these policies is the open way in which the class struggle is now reasserting itself, with resistance to wage control now linking up with a willingness to fight spending cuts, sackings and speed up which daily piles more pressure on to the bureaucracy.

And this resistance is strengthened also by the fact that every militant worker can now see that despite all the cringing, wage-cutting policies carried out by the TUC over the last period, inflation has continued to escalate — *exploding* the myth that wage increases cause inflation.

son hospital. It is clear that as the full impact of the successive rounds of cuts, combined with inflation still at 15% begins to be felt throughout the public sector, this policy will really come into its own — providing a living means of advancing the struggle and challenging the bureaucracy.

Within the workers' movement today, therefore, we see the most glaring contradiction, as the bureaucratic betrayals come into increasingly sharp conflict with the unbroken strength of the working class.

This is of enormous importance when we remember that the whole anti-working class reformist strategy of the Labour government — and with it the government itself as it is today — rests on the continued ability of the TUC leaders to restrain the working class.

INTRICATE

If the TUC leaders' grip is weakened, it could spell disaster for the whole intricate arrangement whereby a 'peaceful coexistence' is maintained between 'left' talkers and the right wing throughout the organised labour movement, opening the door to major political development for new layers of workers thrown forward into struggle.

This danger is intensified for the Labour and TUC bureaucrats because today's crisis of British capitalism, far deeper than the 1930's has dealt a savage blow at reformism, sweeping away the objective basis of conceding reforms, and, through increasing indebtedness to the world's bankers, compelling the abolition of many reforms conceded in the past.