

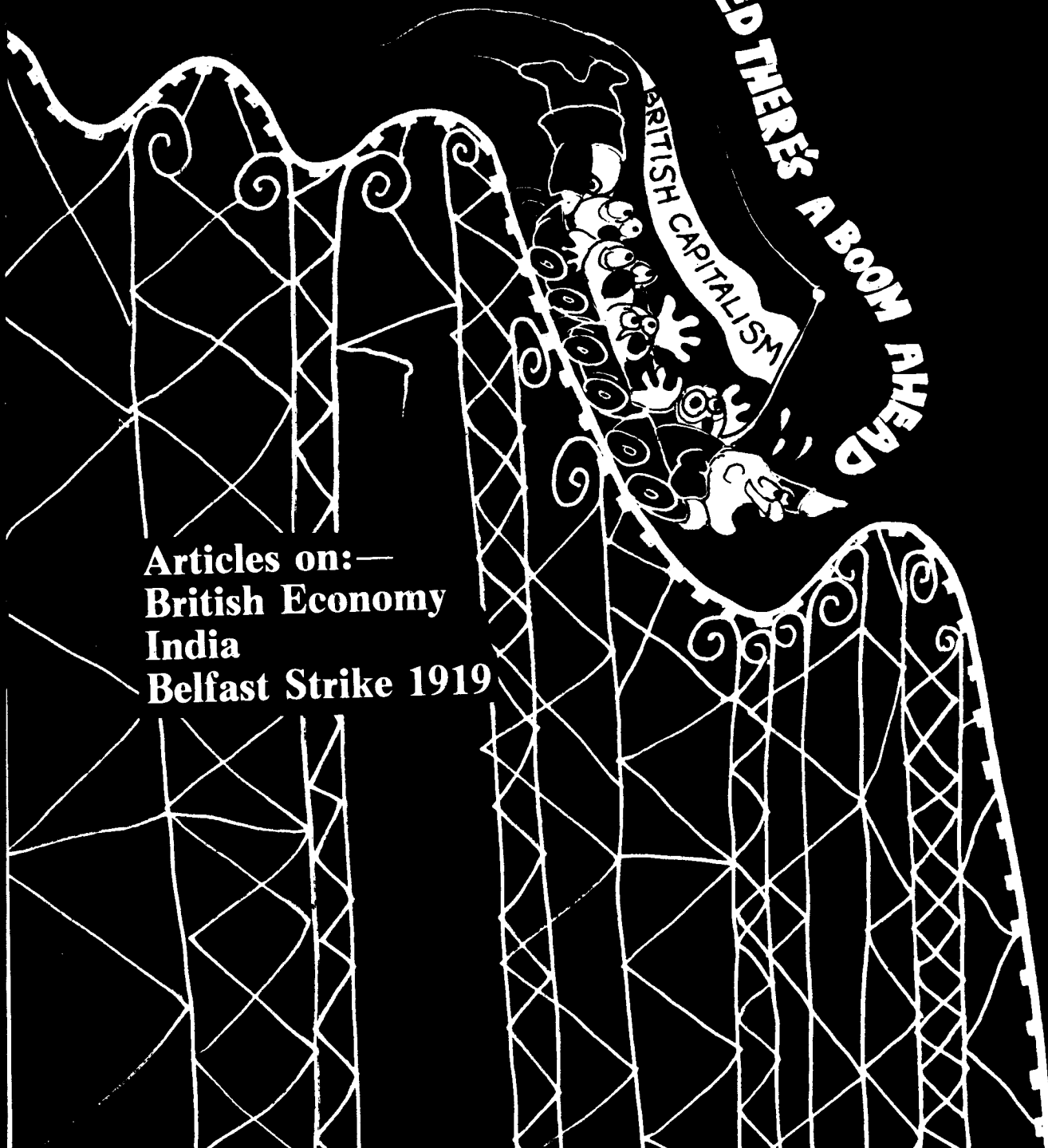
Militant

INTERNATIONAL REVIEW

Winter 1980-81

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GOD BE PRAISED THERE'S A BOOM AHEAD
BRITISH CAPITALISM



Articles on:—
British Economy
India
Belfast Strike 1919

50p

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international review

No. 21

Winter 1980/81

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This edition of the **Militant International Review** appears at a time when the crisis affecting British capitalism is reaching new depths. Ted Grant's article, written last July, forecast that steel production in Britain would fall to around 17-18 million tonnes in 1980. But the reality turned out to be far worse. Steel production in 1980 was 11,267,000 tonnes, down 47.5% when compared with 1979's total of 21,464,100 tonnes. While part of this decline is due to the steel strike, the fact that production in December 1980 was down 33.7% compared with December 1979 indicates the depth of the current economic slump of British capitalism.

While the world capitalist economy as a whole is in the midst of an economic recession, British capitalism is in the throes of a slump. Industrial production in Britain has fallen by 14% in the current slump, compared with a fall of 11% in the Great Depression in the 1930s. Ted Grant not only analyses the economic situation and the Tories' policies but also explains why only a sweeping programme of socialist change can resolve the crisis in the interests of working people.

Roger Silverman's article on India updates his pamphlet 'India—the Gathering Storm' in the light of the first year of Mrs Gandhi's return to office. The world economic situation is placing even further burdens on the ex-colonial countries at the same time as there has been a new upsurge in revolutionary struggle of the masses. It is in this situation that Mrs Gandhi has been incapable of using her parliamentary majority to curb the Indian workers and peasants.

The third article in this edition tells of a virtually hidden page of Irish history, the 1919 Belfast engineering strike. It shows the capacity of the Irish working class to struggle and the reasons why British imperialism desperately inflamed sectarianism in Ireland in order to divide the Irish workers—a policy explained in detail in Peter Hadden's new 'Militant' pamphlet 'Divide and Rule'.

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BRITISH CAPITALISM FACES CATASTROPHE

By Ted Grant

British capitalism has been declining for more than a century now. Since the Second World War and loss of empire the decline of Britain's power has continued at a headlong rate.

The sluggishness of the ruling class, due to centuries of superiority and domination over a great part of the world has led to a situation where the British capitalists are incapable of stemming the tide of decay and disintegration which has overtaken them.

The contradictions within the framework of capitalism itself are of such a character as to increase the difficulties. The differing interests represented by rent, interest and profit (i.e. the bankers, the land owners, property owners, owners of factories etc. on the one hand, and the interests of the industrialists on the other hand) have to a great extent entered into conflict with one another. As a consequence of the policies of successive governments during the past decade or two, high interest rates and high rents have vitiated the development of industry.

People with surplus money have found it better to invest in property speculation and service trades such as tourism rather than investing in manufacturing industry. Manufacturing industry has become the Cinderella of the business world.

The bourgeoisie has forgotten completely that the production of real wealth is the production of manufacturing industry. They are more interested in the chase after nominal gains, rather than genuine gains for the economy itself.

As a consequence of the failure of the ruling class to invest in manufacturing industry, at a time when trade barriers have been reduced to a greater extent than at any other period in capitalist history, as exemplified by GATT and the Common Market and other impediments to trade which have been reduced, the opening of free trade has not given a boost to competition by the British capitalists as the strategists of capital confidently expected, but has accelerated the decay and disintegration of British industry.

From only 5% of the industrial production of the OECD powers in 1978, by the end of 1979 the share of British capitalism has been reduced to only 4%. From a



medium range power, Britain has been rapidly reduced to the level of a small industrial power.

West Germany's industrial production is now more than double that of Britain's. France has outstripped her, and even Italy must be very close to the figures of output of British capitalism at the moment. In volume of output, China and India have outstripped Britain completely.

Steel production has always been taken as an index of industrial capacity and last year Britain produced 21 million tonnes against Italy's 24 million, France's 27 million and Japan's more than 100 million. This year according to projected figures of output Britain's steel production should only be round about a total of 17-18 million tonnes while the projected output of steel in China this year is now 33 million tonnes.

That is to say that China's production of steel will now be almost double that of the output of Britain. Yet production of steel in Britain in the inter-war period and the immediate post-war period was much higher than that of most of the industrial countries of the world.

Take world exports of manufactures. In 1963 the United States had 17.34% of world export markets. This had declined by 1973 to 12.58% and in 1976 this had increased slightly to 13.55%. West Germany increased from 15.53% in 1963 to 16.98% in 1973 and in 1976 the figure was 15.81%. France has outstripped Britain as far as exports in manufactures are concerned. From 6.99% in 1963 France increased her share to 7.26% in 1973 and 7.41% in 1976.

De-industrialisation

Even Italy increased her share from 4.73% in 1963 to 5.30% in 1973 and 1976 5.49%, whereas the UK started in third place in 1963 with only West Germany and the United States with greater exports. Britain at that time had 11.14% of world exports of manufactures, by 1973 this had been reduced to 7% and 1976 6.59% and a further decline of the percentage of world exports would mean that even Italy must come close and threaten to replace Britain as an exporter of manufactured goods.

If we take the figures of employment in industry where there has been a massive de-industrialisation in Britain, we see that the figures of employment have been falling. 1½ million jobs have been lost in manufacturing industry in the course of the last 15 years. That has now been reinforced by the measures of the Thatcher government preparing the way for an absolute catastrophe for British capitalism.

The relatively slow growth in productivity of British industry can be seen by comparing the increases in gross domestic product (GDP) per capita between 1950 and 1976 for selected countries. The figures for GDP per capita are compared to the USA in 1950 and 1976 both given as 100. The increases in nominal and real GDP

(the latter taking inflation into account) are also compared.

Between 1950 and 1976 Germany increased from 37% of the USA figure to 76.4% in real terms and 94.4% nominally. Germany therefore practically doubled her GDP per capita in relation to the GDP of the USA taking the US figure as a yardstick.

France increased from 46% to 78.5% in real GDP and 83% in nominal terms. Japan increased (from 1970 in this case) from 57.7% to 64.3%, and nominally by 62.2%. Italy increased from 25% to 46.8% in real terms and 38.7% nominally. Italy has almost doubled her GDP per capita in relation to the USA.

Spain increased (from 1970 again) from 39.7% to 43.8% in real terms and 37% nominally.

For comparison: in 1970 India's GDP per capita was 6.1% of that of the USA, by 1976 it was still only 5.6% in real terms and 1.9% nominally.

Britain's GDP per capita increased from 55% of the US level in 1950 to 60.1% of the US level in 1976 in real terms, nominally declining to 51%.

Despite the complete parasitism of monopoly capitalism in Britain at the present time, and the lavish subsidies and inducements by the state, a recovery of investment has still not taken place.

For instance since 1972 all investment in plant and machinery has been 100% deductible from tax. Despite enormous subsidies and other concessions which would mean that more than 60% probably of investment in manufacturing industry would be paid for by the state, nevertheless the investment has not been forthcoming.

The British economy has been practically at a standstill for ten years, thus making Britain fall further and further behind in the last decade. In 1970 total investment of manufacturing industry in plant and machinery at 1975 prices was £4,177 millions.

By 1973 this had fallen to £3,439.8 millions and in 1974 £3,781.8 millions. By 1979 this had only risen by an infinitesimal amount to £3,840.8 millions, a figure that was lower than the figure of investment of 1978 which reached £3,852.6 millions. (All figures in 1975 prices.)

Steel production in 1970 was the highest that has been achieved by British capitalism, 27,792,000 tonnes in 53 weeks. In 1974 in the year of the three-day week it still reached 22,323,000 tonnes but in 1979 the figure was less than 21 million tonnes and in 1980 it is expected that steel production will fall by a further 2 or 3 million tonnes.

Despite the fact that Britain has been in almost permanent recession because of the policies of the governments that have been dictated by the crisis and, on the other hand, because of the failure of British capitalism to adapt to the difficult conditions posed by fierce international competition, the economy and industrial production have not increased at a rate comparable to that of her rivals. However, in spite of the antiquated machinery that is used in Britain at the present time the productivity of those employed in manufacturing industry has nevertheless increased.

If we take 1975 as 100 it has increased by 1979 to 109.6, which is quite a high rate of increase. Even from 1974, the year of the three-day week, to 1979 there was an 11% increase in output per person in manufacturing industry.

Capital expenditure in manufacturing industry in 1970 was £4,177 million, but the estimated figure for 1980 in 1975 prices would be £3,450 million—quite a steep fall. On the other hand, investment in distribution and services has leapt ahead. £3,610 million was invested in 1970, and an estimated £5,400 million in 1980.

If we were to take current (i.e. 1980) prices the expenditure on manufacturing industries, in capital expenditure, is expected to be £6,500 million and £10,000 million in the distribution and service industries, which means an even wider gap. Not only has there been massive investment in services and distribution in the UK, but also in overseas investment, £2,400 million in 1978 which was £600 million higher than in 1977, and in 1979 the figure must have been higher still with perspectives of even greater sums flowing abroad in 1980.

After the Second World War the capitalist class, faced with the possibility of socialist revolution in Europe and the rise of a mighty Stalinist power in Russia, with Russia as the second world power, had to alter their methods. This led to a situation where the ruling class tried to find a way out of the impasse of capitalism.

Marxism has always taken the position that there is no final crisis of capitalism as such. The myth evolved in the bourgeois press that Marxism put forward the idea of capitalism collapsing of itself is of course completely false. The failure of the working class to take advantage of the crisis of capitalism following the second world war and overthrow capitalism as a result of the policy of the Labour and Stalinist leaders in Western Europe gave to the ruling class, in particular of Europe and the United States, the possibility of attempting to find some way out of the impasse of capitalism at that time.

Before the war, the crisis of capitalism had been expressed in the attempt of each national capitalism to try and solve the problems at each other's expense. In an atmosphere of exacerbated nationalism, each capitalist class piled up tariff barriers and other means of keeping out their competitors, while accumulating arms for the purpose of settling once and for all the issue of who was to dominate the world.

The crisis of capitalism was expressed in the inability of the capitalists to eliminate the contradiction between the development of productive forces beyond the limits imposed by the nation state and the private ownership of the means of production. The capitalists proved incapable of developing the productive forces which stagnated. The ruling class tried to solve this problem by taking to the road of world war.

Now following the Second World War, with the world domination of American imperialism and with the mighty productive power of American capitalism in comparison to the enfeebled capitalism of Western Europe and Japan the Americans were able to impose the

dollar exchange standard rather than the system that had been in existence in the past of linking world trade to gold.

Because of the enormous and overwhelming military and economic power of American imperialism they were able to impose their policies on the entire capitalist world. These policies demanded a lowering of tariff and other barriers to American goods. Therefore, through GATT and other means, the capitalists were able to extend the world market. The expansion of the world division of labour meant an enormous development of production to an unparalleled extent.

Linked to this was the policy of the British, American and other capitalists of using Keynesian methods of deficit financing in order to expand the markets of the different capitalist classes. Keynesian methods, coupled with the expansion of the world market, had as its consequence an enormous development of production on a scale that has been unexampled in the whole history of capitalism. In a distorted way this is an indication of what will be achieved under a democratically planned socialist society in the future.

By these means the capitalists partially overcame the limits imposed on capitalism by the national state and the private ownership of the means of production. The attempts to overcome the limits of capitalism by these means, in this sense transcending these limits for a whole historical period, had as a consequence an explosion of inflation internationally and especially in Britain. This was because British capitalism was the progenitor of these problems through its acceptance of the theories of John Maynard Keynes.

All the countries of capitalism are faced with an explosion of prices such as has seldom been seen in the history of capitalism, at least on a world scale.

When these policies were beginning to flag, without having had very favourable results in Britain, the ruling class tried the method of devaluation. Their intention was to increase their share of the world market. But they signally failed to achieve these results, among other reasons because of the highly monopolised character of the economy in Britain. Incidentally, the monopolisation of production and distribution is one of the causes of inflation. The monopolies are taking a greater share of the market than they are strictly entitled to by their share of production.

But devaluation is necessarily inflationary. It results in the rise of the prices of imported raw materials and food and imported manufactured goods, this fuelled the inflation in Britain and in return provoked new devaluations. Devaluation is like a drug which has to be taken in constantly increasing doses to have any effect. Allowing the pound to fall on the exchange markets was intended to give a lift to exports.

This did not succeed even temporarily because in reality the 50 firms which dominate 80% of exports merely raised the prices of their goods making thousands of millions of pounds in Heath's word "at a stroke" by raising prices to the level of the devaluation, as well as

completely scotching any question of increasing Britain's share of the world market.

In addition, budget deficits by their very nature, led inevitably to the explosion of inflation in Britain and world-wide.

Keynesianism explained the difficulties that the capitalist system experienced by the lack of "demand". And it showed the contradiction between unemployed workers on the one hand and unemployed resources of factories and machinery on the other. State spending was intended to give a boost to production, creating a demand by employing workers to create a demand and by providing a market for goods. But this, as the Marxists had explained, inevitably led to a rise in prices.

It is the essence of capitalist crisis that there is an overproduction simultaneously of capital and consumer goods for the purpose of capitalist production i.e. for the purpose of producing profit.

The use of budget deficits results in the expansion of paper money in the form of currency and treasury notes. The consequence of putting two pieces of paper where only one was necessary results, in that particular instance, in doubling inflation.

The strategists of capital in industry, in the media, and in the state machine itself wishing to avoid the social impasse of pre-war society, swallowed the illusions of the economist witch doctors. That did not solve the problem. They had forgotten that Roosevelt in "pump-priming" the economy failed completely, and did not prevent the slump of 1937-38 following that of 1929-33.

Finance versus industrial capital

In addition to all the difficulties of British capitalism there is a contradiction which is much sharper in Britain than in other countries between finance capital on the one side and industrial capital on the other.

These contradictions have aggravated the problems of capitalism and assisted in the decay and decline of Britain. In addition, in the early '50s and '60s the policies of the right-wing trade union leaders of trying to restrict increases in the wages of the workers meant that there was no incentive on the part of the capitalist class to invest even when interest rates were only 2½% and British capitalism was riding high on world markets.

In 1950, for example, they had 25% of world markets at that period and 80% of new investment in industry was financed by profits and not by borrowing from the banks.

Had the trade union and Labour leaders adopted a policy of exerting pressure on the capitalist class to gain higher wages and better conditions, this would have compelled the capitalists to overcome higher wages by investing in new machinery to increase the productivity of labour with a view to eliminating workers in proportion.

Instead of this, they had the policy of nationalising

ruined industries which merely acted as the milch-cows of the private sector, providing the monopolies with cheap coal, steel, electricity, gas and transport.

This, in turn, was a further disincentive for the capitalists to invest in re-tooling and re-equipping industry in order to offset the effects of high-priced raw materials.

At that time, when interest rates in Britain were 2½% and the property boom and property speculation in factories and building had not reached the heights of the '70s, such a development would have been possible if the British capitalists had not been featherbedded by the policy of the trade union and Labour leaders. It would have been possible for British investment to be increased at the same rate as their rivals abroad.

Now the opportunity is gone, and capitalism is faced with a crisis which is caused by its policies and the contradictions especially of British capitalism between rent, interest and industrial profit. These contradictions can only be solved at the expense of the working class.

As Keith Joseph pointed out in Washington, the working class in Britain now has the lowest wages of any industrial country in the world. In fact they have become the cheap labour of Western Europe. Even these low wages are, however, not sufficiently low for the capitalists. The crisis with which they are faced means that they will try to drive real wages down to even lower levels.

The policies of Keynesianism had its disastrous effect throughout the world and provoked an absolute catastrophe for British capitalism. Apart from Italy, inflation in Britain in the last period has been at a higher rate than any of the main industrial countries (although now America, too, has reached a very high level of inflation). The policies of Keynesianism resulted in an explosion of inflation internationally and especially in Britain.

All the measures taken by the ruling class to ensure an economic upswing as a precondition for the continued growth of the economy has resulted in the opposite of what was desired: insecurity, uncertainty, enfeeblement, and in the capitalists' own terminology, "lack of confidence".

It is true that capitalism on an international scale faces the same problems. But that is no consolation to the ruling class of Britain, but merely aggravates the problems of British capitalism and of British inflation.

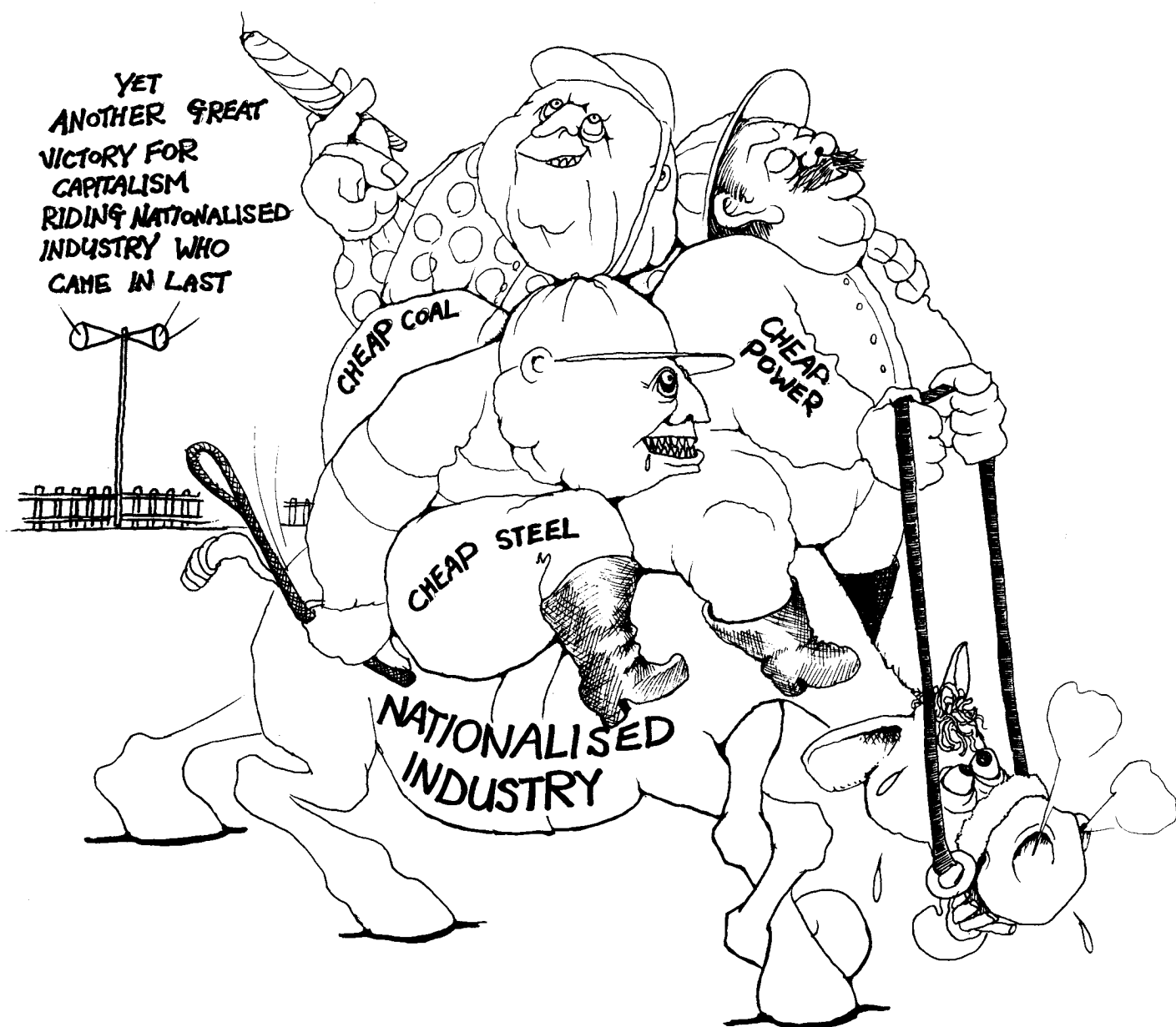
Keynesianism is bankrupt. Callaghan explained this in a brutally crude fashion at the Labour Party Conference in 1976 when he declared to the Conference in answer to arguments of the left, "Keynesianism is dead." The bankruptcy of Keynesianism is best expressed in the fact that, for the first time in history, a new economic phenomenon has been observed—that of stagflation, that is to say, simultaneously, recession or small slump on the one hand, and the continuation of inflation at a slower, or sometimes even higher, pace on the other.

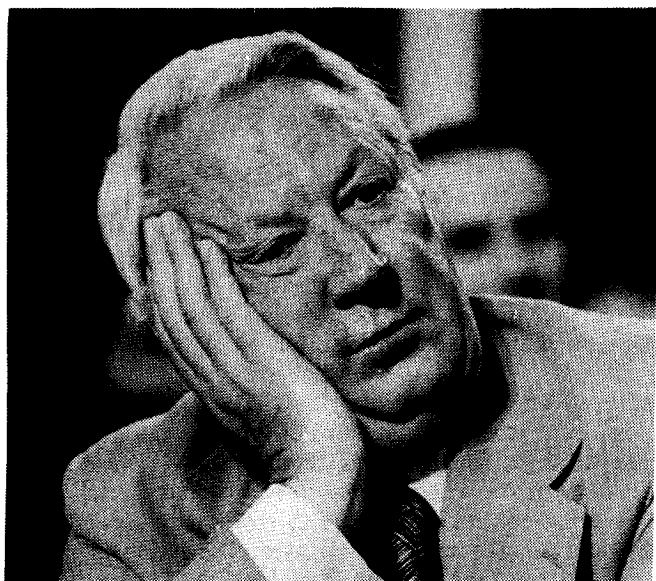
This nightmare has induced the major capitalist

powers, meeting at Venice recently in July to decide against any measures of reflation on their part. On the contrary, they opted in favour of the continuation of the

methods of deflation—cuts in public expenditure, cuts in social services, cuts in the expenditure of the state.

There has been a precipitate abandonment of the





Heath and Thatcher reflect the polarisation between the industrial and financial wings of the bourgeoisie.



method of budget deficits as a solution of the problems facing capitalism. It is clear to everybody that, far from being a solution, this method of creating "demand" is an absolute disaster, an absolute catastrophe.

The Marxists had already pointed this out in the early years of the economic upswing at the end of the '50s and in the '60s. Despite the worst post-war economic recession that is developing at the present time the major capitalist powers are not prepared to take up the new-fangled methods of Keynesianism but are falling back on the old "tried and trusted" methods of deflation.

This method is now in modern terms called monetarism, but in actual fact the method was used in the 19th century and early 20th century and the period between the wars. The most crude and hard-line advocates of monetarist policies have been the Thatcher-Howe-Joseph clique of the Tory government.

In a recent speech, Thatcher made a correct analysis (for once) when she said, "We [i.e. the strategists of capital] have tried everything and have failed therefore we must turn to old tested and tried remedies." In other words, turning to classical policies of deflation, or putting the burden on the masses by slashing state expenditure, by slashing real wages, by slashing the social wage, the social services and so on, putting the burdens on the old, the sick, the children and the working class.

It is true that the method of Keynesianism has been an absolute catastrophe for British capitalism. It has aggravated the problems of capitalism and assisted in the decay and decline of industry. There have been slashing cuts in the social services, health, transport, and all the other things that make for a civilised existence for the working class and the masses of the population. Not satisfied with this situation, and the fact that the working class have now become the lowest paid of Western Europe, the capitalists have launched a savage attempt to cut down the real wages of the working class, holding down wage increases far below the official rate of inflation. And that is without taking into account the taxes which have also to be added to gauge the extent of the cut in real wages.

The Thatcher government's measures have resulted in an increase of interest rates to record levels. This, in turn, with oil revenue from the North Sea beginning to flow into the economy, has resulted in an artificially strong pound.

Despite the bonanza that they have reaped from this, there are grave misgivings in the City of London. As the representatives of finance capital, they traditionally have supported a "strong pound". But now the strong pound has resulted in a 40% disadvantage for exports and a comparable advantage for foreign imports.

This has been an absolute disaster for British industry. In the last analysis, the City of London realised that this causes serious problems and ultimately undermines their position also. Thus, neither a strong pound nor a weak pound have solved the problems of British capitalism.

Thatcher's turn to the "old, tried and tested remedies" of capitalism has piled disaster upon disaster. These reckless measures, taken at a time of economic slump serve to deepen and intensify the effects of the world recession in Britain. Moreover, Britain has, in reality, had a period of recession which has lasted ten years. The boom which followed the slump of 1975 was very weak, almost non-existent, as a result of the measures of both Labour and Conservative governments.

Thus, the measures of deflation taken at the same time as the exchange level of the pound was raised through the increase in interest rates, and the attempt to cut the deficit in public spending has further affected the competitiveness of an already enfeebled industry in a context of a general fall in industrial production. Even the big 50 companies which control 80% of exports have been affected.

British competitiveness on the world market had already been affected by the world slump. The loss of competitiveness over the 18 months to two years has been about 40%, and possibly even 50%. This is due to the rising value of the pound plus the squeeze on borrowing by companies on interest rates of 20-22% and more. British industry, which based itself on cheap wages as the only way to maintain its positions on world markets and failed to invest in new machinery for the purpose of competing with its rivals, is further enfeebled by these measures of the Thatcher government.

With a squeeze on profits, due again to a new property boom, and a rise in interest rates, there has been an enormous reduction of the capacity of even the monopolies which compete in foreign markets. The only way British capitalism can hope to compete would have been by investing in new machinery for the purposes of increasing productivity and shedding labour by that means.

But the funds to carry this out are so enormous, particularly on a falling market, that only a small section of the capitalists have been prepared to take this road, and therefore the measures of this Thatcher government, far from restoring health to British capitalism, will have even more disastrous consequences than the profligacy of Keynesianism in the past.

The grain of truth in monetarist theories which are mainly a repetition of vulgar classical capitalist economics and the 'orthodox' theories of the vulgar economic witch-doctors of the 19th century and the inter-war years is the idea that the printing of extra paper money in the form of currency and Treasury notes causes inflation, and that the root of the problem is the money supply.

But having tried everything, a return to these methods and their results have shown that the "cure" is even worse than the disease. In the inter-war years one of the main reasons for the slumps was the attempt to impose "sound finance" in Germany, in Britain, in France, in the United States and in the other main capitalist countries.

In the 19th century, too, the result of orthodox economic measures were not that dazzling as they

resulted in periodic slumps and periodic crises. Thus weakened capitalism in Britain is faced with high interest rates and lack of markets through the cutting of demand by the "consumers" and the state, for capital and consumer goods, a lack of competitiveness abroad.

Further falls in the rates of investment (which have been explained in the previous section) in their turn increased the crisis by creating millions of unemployed and cutting the market even further. Bankruptcies of small, medium-sized and even large concerns will not result in a new blossoming of capitalism but only increase its crisis.

The irony is that the millions of unemployed and the large number of bankruptcies which have been caused by the policy of the Thatcher government means a fall in taxes collected and an increase in the amount spent on dole and supplementary assistance. Inevitably as the crisis deepens and demands for subsidies by industry will increase, it means that the attempt to cut the budget deficit will not succeed and that their policies will reduce the economy to a worse state than it was in before, with the additional problem of inflation.

It is true that the cutting of the market on the one hand, and the lack of competitiveness on foreign markets on the other hand, will exert their pressure on prices and therefore, in a situation in which international markets are more open to competition than in the period before the war or in the 19th century as a consequence of the cuts in tariff and other barriers, there will be some reduction in inflation.

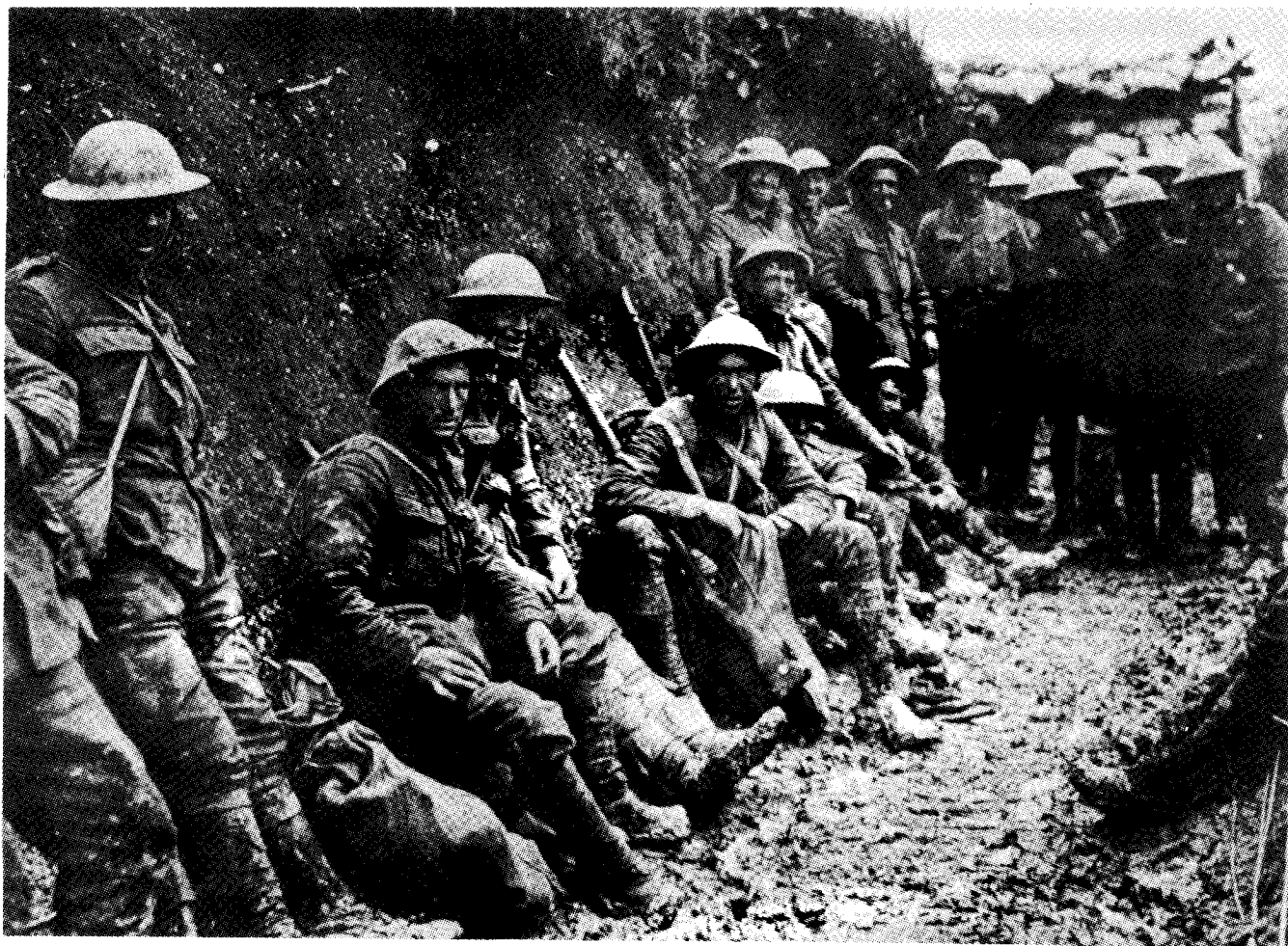
Neither monetarism nor Keynesianism

More accurately, not a fall in inflation but a fall in the rate of increase of prices, which is a different thing entirely. The horrifying figure of 20% and more inflation can drop in the next period to perhaps 15-16% and then hover a little above or below 10% before threatening to take off as it has in the past.

Capitalism is in a vicious circle. If they carry through these measures they can only attenuate inflation to a limited extent. For instance, the strategists of American capital, the US economists—witch-doctor economists—themselves recognise that for the rest of this decade, inflation in America will hover around the figure of 10%. In addition, the capitalist governments in Britain and in other countries will zig-zag, and Thatcher will undoubtedly be compelled to reverse her policy, under the pressure of the CBI and even the finance capitalists of the City of London.

Moving in a zig-zag fashion, alternating between measures of reflation and deflation, and trying to combine the two, as with the policies of Denis Healey and the Labour government of 1974-79 they will only exacerbate the crisis.

What the strategists of capital and the capitalist



British workers are paying taxes to pay interest to the money-lenders who 'invested' in the First World War

politicians of all countries have all been compelled to accept the fact that they are now in a crisis of the system very similar to the crisis in the '30s. Marxism in the past rejected the arguments of the Keynesians, predicting the consequences that this policy would have.

In the same way Marxism rejects the arguments of the monetarists which can only prepare even greater disasters. The capitalists are torn between the horns of a dilemma. Keynesianism will result in inflation, and monetarism will result in exacerbating the slump. Even when, as is inevitable, the capitalists climb out of the present world recession during the course of, or at the end of 1981, this will not solve the problems. The economic boom which will follow the present slump will not solve the problems. The economic boom which will follow the present slump will be of a very short duration preparing in turn a new collapse of the productive forces.

On the lines of Keynesianism there is no solution. On the lines of monetarism there is an even more disastrous outcome for capitalism. Marxism has to explain to the advanced layers of the working class and to the mass of the working class as a whole, as events themselves will be demonstrating, that on the road of capitalism there is no

way out.

Marxism must retort to the Thatcherites and to the monetarism of Denis Healey and the right wing of the Labour Party: the crisis is the crisis of your system: the crisis of the capitalist system.

For example, the Tories argue that the £11,000 million deficit in public expenditure (which the Thatcherites have claimed) is the cause of inflation. This could easily be plugged by a cancellation of the National Debt which amounts to £11,000 million a year in interest, as a result of the increase in the interest rates which were the consequence of the policies of the monetarists. The National Debt is the payment for the blood and suffering of the masses in the last four major wars fought by British capitalism including the Boer War and the Crimean War.

At the same time, we must explain that if there would be an increase of two or three per cent in production—which is a very modest figure—the £11,000 million budgetary deficit would vanish because of the increased revenue of the government which they would gain through the taxes that they impose.

They abandoned the policy of trying to get high growth

at the expense of inflation because of the contradictions which this would entail. The policies of deflation, the policies of the squeeze, have cut production. And that is the madness of the capitalist system.

Even in the boom, only 80% of output capacity was used. Another 20% production of wealth would easily have solved the problem of inflation, if it was not for the contradictions of capitalism which we have explained—the major contradiction being that the capitalist system is not one for the production of goods that are needed by the population, but a system of production for profit for the monopolies, for big business and for the banking interests.

With the measures taken by the Tory government, a further decline of British capitalism is inevitable. The dream of restoring the health of British capitalism by returning to the policies of the 19th century is a reflection of the insanity of the strategists of capital caused by the blind alley in which capitalism finds itself at the present time.

The glories of British capitalism of the 19th century and of the early 20th century are now a thing of the past. That slow and inglorious decline of which Trotsky spoke in his material on Britain in the '20s and '30s has now turned into a headlong decline in the power, influence and capacity of British capitalism and of British industry.

On this road there is no way out. What the monetarists are doing is like a quack surgeon who believes that he can ensure the health of his patient who is suffering from an ailing heart by cutting off an arm and a leg in order to "cure" the illnesses of the patient.

Inflation will drop somewhat because of the fall in the price of raw materials and food stocks on world markets as the recession deepens and the almost doubling of VAT is absorbed into the index figures but in the long term inflation will fluctuate, even in the best of cases, around 10%. This year will probably end with inflation at least 16% or even possibly higher.

Due to international competition it will not be possible for the big monopolies to raise their prices at the same pace as they have done in the past. The fall in the purchasing power of the masses is also a factor which will depress prices to some extent. But the consequence will be 2 to 3 million unemployed with inflation still hovering around 10% or more, with the possibility at the moment that when the crisis, recession or small slump ends, there will be a further increase in inflation.

The increased expenditure on arms has been one of the major factors in the last two or three decades in increasing inflation. The production of arms means the production of fictitious capital instead of real goods in the form of capital goods or consumer goods, and as a consequence is a major factor in the development of world inflation.

Depressing the real wages of the working class will also have the effect of depressing the market. This is shown by the measures of the Callaghan-Healey government between 1974 and 1979. One of the reasons why

investment did not pick up to a great extent was the slashing of state expenditure by £8,000 million in 1976-1977 and the cutting of the real wages of the working class through incomes policies.

Therefore the capitalists were caught up in the further contradictions of their social system. Thatcherism is raw, unadulterated monetarism—savage cuts in state expenditure and attempts to depress the real wages of the working class which, in its turn, will succeed in exacerbating the class struggle and produce explosions.

With the sickness of British capitalism, measures of massive deflation can only have disastrous consequences. Neither inflation nor deflation can solve the problems of the working class, but on the contrary exacerbate the decline of living standards and of the social wage.

The policy of Marxism has to be: neither inflation nor deflation, but socialist policies. The collapse of part of British industry will make Britain even more dependent on imports from abroad. The crazy desire to cut down the industrial capacity of the steel, shipbuilding and other industries means that, when the market swings forward, as it inevitably will, then, as has happened on a number of occasions during the course of the last decade, British capitalism will not have the capacity to fill these markets and therefore the gaps will be filled by further imports of steel and of other goods.

Labour right wing have no answers

Under the present conditions it will therefore be very difficult for British capitalism to recover lost ground. The policies of Thatcherite monetarism are a policy of open class war, putting the burdens of the crisis of capitalism on the shoulders of the working class, which will inevitably provoke resistance by the working class over the next period.

On the other hand the policies of the right-wing leaders of the Labour Party and of the trade union movement are merely a diluted version of the policies of Thatcherism—policies of mixed monetarism and Keynesianism. They would have even worse consequences as far as the economy is concerned. As against the open attempt of Thatcher to hold down the wages of the working class, their policy of prices and incomes policy—in reality a policy of holding down wages below the level of inflation through incomes policy as was evidenced in 1974-79—will not satisfy the workers when they see the disastrous consequences which it will have on their standards of living.

The right wing reformists have abandoned the programme of reforms precisely because they wish to preserve the present status quo industrially and socially. Consequently, they do not favour further large scale nationalisation.

They began the savage cuts in state expenditure in 1976-79. The real standard of living was reduced as a result of incomes policies by over 9% in 1974-1979, the



So much of British industry is being destroyed that the price of scrap metal has fallen by over 50%

period of the right-wing Labour government.

Consequently, under conditions of capitalist crisis the policy of Healey-Rodgers-Williams and of Callaghan would develop on the same lines as that of 1974-79.

The solution to the crisis put forward by the capitalists and thus also by the reformists is to forego even the promise of reforms. From reformism of the past to the policy of counter-reformism. On the other hand the so-called alternative policy of the NEC and the Labour and trade union left is that of using the discredited methods of Keynesianism.

This would result in an explosion of inflation. This would particularly be the case taking into consideration the high rate of inflation that already exists. Clearly this policy would be untenable. The pressure of big business, the pressure of the City of London, would force a U-turn on the Labour government in the same way as it is going to force a U-turn on the Tory government.

Even a left Labour government would not be able to carry out the programme which they put forward of piecemeal reform of capitalism. A policy of "little-by-little" changes means having to live with the consequences of trying to work within the framework of capitalism. It means that they too will be forced to embark on a policy of abandoning their promised reforms and carrying out a programme of counter-reforms.

At best, if they attempt to carry out their programme it would result in an explosion of inflation of Latin American levels, as occurred with the Allende government in Chile in the three years in which the coalition government held power.

The history of the post-war decades has been living proof of the correctness of the ideas of Marx, Lenin and Trotsky. On the road of reform of capitalism there can only be disaster. Moving on the basis of the gradual or slow reform of the economy can only prepare the way after a period of small recessions and booms for a collapse on the lines of that of 1929-1933.

With this policy of gradual and slow change of the economy the German Social Democrats prepared the way for Hitler in 1933. While there is no question of fascism in the period that lies ahead, the crisis of capitalism will assume such proportions as the ruling class in a desperate endeavour to save themselves, will have recourse to military coups and even to the road of civil war against the working class even in countries such as Britain.

The fact that the Tories have been compelled, despite the experience of 1970 to 1974, once again to limit the rights of the trade unions and to limit the rights of organised workers to conduct a peaceful struggle to defend their interests, to defend themselves against victimisation, to defend their organisations, to defend their living standards, limiting the right to picket and the closed shop shows the crisis of the society—and these are merely the first efforts on the part of the Tories.

If they should succeed in getting away with these measures, new measures would undoubtedly be introduced as Prior has explained. Prior, Gilmour

and the other so-called "wets" represent the "liberal" wing of the Tories. In reality their policy is fundamentally no different from that of Thatcher. It is a question merely of not crudely trying to pile on all the measures at once, but to attack the workers piecemeal. If they succeed in imposing one section of their programme, then the others would follow rapidly.

There is no way out for the working class or the labour movement on this basis. Even if the left reformists came to power and tried to carry out sections of the programme piecemeal, a little at a time, it would cause an explosion of inflation as in Chile under Allende. The ruling class would try to provoke panic and attempt to swing the middle class, small shop keepers, professional people, small businessmen and even politically backward sections of the working class against such a government.

The Marxists will continue to put forward demands for massive increases in public works, useful state expenditure, housing, transport, health, education and other social services. We must demand work for full wages (work or full maintenance) for the unemployed. We must fight against the attempt to turn the clock back to the workhouse methods of the Josephs, Thatchers and liberal Tories like Prior. The suggestion of "voluntary" unpaid work for the unemployed, put forward by Prior, was a trial balloon for such methods.

A socialist plan of production

Already in Guernsey this "voluntary" work of the unemployed, at rates £2 or £3 higher than what the unemployed get but far below the trade union rates for similar types of work on the mainland, is an example which is enthusiastically quoted by the yellow press for Britain to follow. The fact that they go back to methods of this sort in conditions of crisis is an extreme expression of the complete bankruptcy of capitalism.

These demands for a massive increase in expenditure on public works, with wages at full trade union rates and a minimum wage, sliding scale of hours and wages to absorb the unemployed and keep up with the cost of living automatically, similar to the Scala Mobile in Italy but with the trade unions determining the index, must be linked, clearly and indisputably, with the need to transform society and introduce a genuine plan of production.

Without a plan of production, undoubtedly, all these measures would fuel inflation. It would take all the resources of society, manpower, science, technique and production to produce goods to the maximum capacity of the economy.

A monopoly of foreign trade coupled with the nationalisation of the monopolies, banks, insurance companies (50 of whom control 80% of exports) with compensation on the basis of need only, and workers' control and management of industry, and of the state is the only means of supplying the economic basis for using output to the maximum of its capacity, utilising science,

industry and all the other capacities for production to the maximum extent.

This programme is the only means of taking over society in the interests of the masses. It would include the abolition of the House of Lords and the Monarchy as an indispensable measure to prevent the ruling class from resisting these demands.

At the same time we demand the nationalisation of the press under the control of the trade unions and the workers' cultural organisations. Every tendency in society, according to the vote that they get, will have access to the press, to the radio and the TV. This will be a far more democratic system than we have got at the present time.

These transitional demands must be put in the context of struggle. Without the transformation of society it is not possible to carry through the "alternative" programme put forward by the Tribunites. This programme would make completely unnecessary the question of "selective import controls".

On a capitalist basis selective import controls could only result in retaliation and trade wars with other capitalist powers which would further exacerbate the crisis of capitalism that already exists as similar measures exacerbated the crisis in the '20s and '30s.

The road of capitalism offers no way out but a long death agony. British capitalism in particular is the sick man of Western Europe. There is no cure for capitalism. The convulsions of deflation and inflation mark the sickness of the capitalist society. Outside of the drastic surgery of the socialist revolution there is no solution.

No future under capitalism

The economic witch-doctors of capitalism can argue for their quack potions of Keynesianism or Friedmanism. We must convince the labour and trade union movement that we must break with all capitalist policies of this sort. On this road there is no answer. The only "democratic socialist" solution to the economic impasse of capitalism lies in its overthrow.

The period of economic upswing of world capitalism for the quarter of a century from 1950 to 1975 is definitively at an end. The decade of the '80s will be similar to the decade of the '30s. The latter began with a world economic depression with convulsive ups and downs and ended in a new tendency to deep slump which was only overcome by the catastrophe of the Second World War.

The decade of the 1980s begins with the deepest post-World War Two slump. It marks a new period, characterised by a rapidly alternating cycle of decline and recovery of the economy, with two to six years in each cycle. Thus the decade of the '80s could even possibly end with a new economic depression to rival that of the 1930s.

What is certain is that slump and recession, each time

deeper or at the same level, as shown by recent slumps, will alternate in rapid succession. Capitalism cannot develop the productive forces created by the labour of the working class.

Periods of this type mark the change from one social system to another, within the cage of capitalism the workers' organisations will lay out the map for the new social system.

Capitalism, even in its period of decay and rot, will not collapse of itself. It falls to the lot of the living forces of the new social order, i.e. the workers through their own organisations, to overthrow it.

The task of illuminating and leading the struggle stands on the shoulders of the Marxists. Only they can explain to the working class through its organisations the impasse of the social system and the need to take control into their hands.

The socialist transformation of society is the only means to guarantee a civilised existence and carry society forward on the basis of the maximum use of the resources created by the labour of the working class.

By utilising the full economic, scientific and technical potential of the economy, with the enthusiastic creative efforts of the working class, in a society where unemployment, want and hunger are abolished and access to all necessities are guaranteed, the free democratic control of industry and of the state by the working class will ensure a higher development of society on a more civilised and enlightened basis.

A free democratic society under the control and management of the working class could carry through the new micro-chip transformation of industry, which would clear the way for the complete transition to socialism.

The microchip and the capitalist system are in complete contradiction. This can never be solved by the capitalists and their obedient servants in the field of science, but only by the organised and politically conscious working class.

A substantial minimum wage for a thirty-five hour week will very rapidly be followed by bringing the working class to a six-hour, four-day week on the basis of micro-technology and science, using these techniques to re-equip industry. using the skill of the technique, very rapidly we can pass to a six-hour day, four-day week to a two-hour day, two-day week, and even a one-day week in the future, as mankind, beginning with a socialist Britain and Europe, moves in the direction of socialism.

20th July 1980



India-The Crumbling State

By Roger Silverman

The paralysis of the Indian state, nearly one year after the re-election of Indira Gandhi's party on a programme of "firm government", provides an eloquent testimony to the analysis which the Marxists alone have put forward regarding the pre-revolutionary crisis besetting India over the last decade.

In contrast to the furious cacophony of the capitalist press—echoing the isolated and discredited bourgeois opposition politicians of India, who are all screaming about a "new Emergency"—the 'Militant' tendency alone has consistently emphasised the impotence of the Indian bourgeoisie against the gales of revolution that have swept through the sub-continent. The so-called "strong government" of Indira

Gandhi, despite the shrill protests of paltroon politicians who had gambled mistakenly in the latest election race, has in reality been as helpless as a straw in a hurricane.

Disintegration

After more than a year of bloody carnage in Assam, in that long-neglected corner of the North Eastern appendage to India, despite the permanent blockade of India's major domestic source of oil at a time when India's total annual export earnings are hardly enough to meet the cost of its oil imports alone, and despite the looming threat of a war with Bangladesh over the fate of

deported refugees—an ironic mirror image of the situation which provoked the Indo-Pakistani war of 1971—India's self-styled "strong-man regime" has proved feckless.

How then is Indira Gandhi to be expected to cope with the problems ravaging the entire sub-continent? As India teeters on the brink of the abyss, on the eve of a new and deeper world recession even than that of 1975, which brought in its wake the shocks of the Emergency and of its rapid overthrow, capitalist India is breaking up fast into national, communal, linguistic, tribal and caste mayhem. In the picturesque words of Mr Mehta, a director of the huge super-monopoly Tatas, Indians will be "eating into each others' entrails" in the struggle

for food, jobs and land.

On a capitalist basis, the future can only promise the eventual disintegration into a thousand fragments of the India which was the vision of hundreds of millions of oppressed and downtrodden, who rallied to Gandhi's call in the liberation struggle—a reversion to the Balkanisation of the sub-continent into a host of minor principalities, which in the past guaranteed its subjection to imperial rule, and the eclipse of the national consciousness which alone ensured the overthrow of imperialist domination.

More than three decades after the winning of independence under the banner of Congress and the national bourgeoisie—an event which superficially would seem to have refuted the law of permanent revolution—the permanent revolution asserts itself more insistently than ever. The only salvation for the very existence of the Indian nation lies in the victorious struggle of the proletariat: either forward to a united Socialist Federation, or centuries back to Asiatic backwardness. The fate of the biggest capitalist country in the world hangs upon the campaign for a worthy leadership of the proletariat.

Even in the absence of such a leadership, and with only a dim consciousness of its historic mission, the proletariat has risen to the challenge with magnificent élan. Even according to the distorted and inadequate official government statistics, the Indian proletariat over the last decade has proved itself the equal of any working class in history. In the world league table of days lost over the last decade in strikes and lockouts per 1,000 workers, India was the only under-developed (or so-called 'third world') country to appear in the top twenty! In organisation and militancy, the Indian proletariat compares favourably to that of any industrially developed country.

Official statistics tell us only of the record of the urban 'organised

sector' (i.e. that sector covered by labour legislation) and excludes all political strikes, sympathy strikes, gheraos (factory sieges), solidarity blackings, factory occupations, go-slows and works-to-rule, etc, to say nothing of the huge and bloody battles raging in the countryside. **Nevertheless, they show that over the course of the whole decade ending 1978, the Indian working class was locked in battle to a greater degree than that of any other country in the world, with the single exceptions of Canada and Italy!**

Militant proletariat

When we take into account that this period includes nearly two years of emergency rule when strikes were banned, and that they exclude 1979, a record year for strikes; and that Indian workers risk starvation, sacking, blacklisting, imprisonment and frequently death, to a degree without comparison in the industrially developed countries at this stage, then it would hardly be an exaggeration to call the Indian working class the most militant and combative in the world at the present time (for full statistics see 'Militant' pamphlet 'India—the Gathering Storm').

The vast majority of the population of India still live in the villages, and if there were an idyllic picture of rural stability in the countryside, then the cause of the industrial proletariat, no matter how militant, would still be doomed. But the situation in the countryside is, if anything, even more explosive than in the cities! The pauperisation of the peasantry has proceeded to the extent that practically half the rural population today are landless labourers, and therefore at least technically proletarians, while the shrinking numbers of small and middle peasants have

been driven into increasing penury.

Agricultural labourers in an under-developed country do not normally attain, even at their most militant, a fully proletarian consciousness. Even in the Chinese revolution, which was fought as a peasant war; even in Russia, where the poor peasantry surged behind the Bolshevik banner of the urban proletariat, their main battle-cry was for land. In their aspirations they remained peasants. But the breakdown of peasant life in India has wrought amazing changes in the consciousness of the masses. The war launched by the so-called "harijans" ("untouchables"), in effect the landless agricultural labourers, has been fought with guns and bombs, not from scattered vanguard bases as in a classic peasant war, nor even in localised labour disputes, but in a mass uprising involving millions, in every major state in India, and not principally for land, but for decent wages, a guaranteed income, the dignity of labour... proletarian demands, flowing indissolubly from the demand for the fulfilment of the elementary democratic task of putting an end to caste servility and degradation, still shamefully un-resolved by the bourgeoisie. In Bihar and Uttar Pradesh, with a combined population of nearly 200 million, the situation has reached the point of civil war. The semi-proletarian agricultural labourers are demonstrating in heroic deeds their unity with the industrial workers.

But so rotten-ripe is the socialist revolution in India that the whole of oppressed society is crying out for a socialist solution. There cannot be any historical precedent for the peasant movement which is now raging. Even the peasants, even the sharecroppers, small tenant farmers and landholders, through their own desperate struggle for survival and by inspiration from the implacable struggle of their proletarian and semi-proletarian brothers, have attained a cons-

ciousness far transcending the narrow horizons of the classic traditional peasant. In Tamil Nadu, Maharashtra, Andhra Pradesh, and Karnataka, as well as other states, the peasants have come on to the streets in their hundreds of thousands, prepared to sacrifice their lives in the struggle for their elementary demands—that their accumulated debts be written off, that taxes be cut, for cheap credit, etc.—in such a massive and relentless movement that they have already succeeded in wresting concessions from various state governments. In March 1980, Delhi was invaded by two million barefoot peasants and labourers, on the biggest demonstration in India's history!

Hell-Bent on Bonapartism

But even more extraordinary is the extent to which the blind movement of these formerly backward peasants has become translated into a primitive socialist consciousness and a partial identification with the proletarians. Rioting peasants quoted in the local Indian press have exclaimed indignantly: "Let the government take our land off us! We can't make any money off this land. Let the government take it over and pay us a wage for working on it!" Even the peasantry are thus crying out aloud for a socialist lead from the workers' parties. How much more poignant that the bureaucrats at the head of these parties continue to use as their alibi for failing to mobilise the workers behind a socialist programme, the alleged conservatism and backwardness of the peasantry!

It was against a background of strikes, economic collapse, communal and caste conflicts, political instability, and riots soberly computed at a rate of **nine per hour**, that the bourgeoisie resol-

ved in the summer of 1979, shaken to the core especially by the recent national police strike, to forgive Indira Gandhi her past misdeeds and restore her to power, at no matter what cost. Even their alarm at the social consequences of Indira Gandhi's irresponsible declaration of an Emergency in 1975 had paled beside the shocks of the Janata interlude. They were hell-bent on a bonapartist solution. Hence their ruthless intrigues and manipulation, unexpectedly decisive and unanimous by the standards of the Indian bourgeoisie, to smash up the relics of the Janata mish-mash, force premature elections, bribe defectors by the score, organise a crescendo of pro-Indira sycophancy, indulge in ballot-rigging, and hence ensure a "landslide" victory for their champion—albeit on the votes of less than a quarter of the registered electors.

But the bourgeoisie has been appalled to discover that all their unexpected resolution—no mean achievement for their sluggish and parasitical class—means nothing if no weapon is at hand by which to impose a bonapartist regime. The legacy inherited by Indira Gandhi in 1980 was a state machine in tatters. The police by mid-1979 had reached a point of mutiny, again without true precedent. One million policemen, the length and breadth of India, ordinary constables, shoulder to shoulder with some sections of their inspectors, the Provincial Armed Constabularies, the riot squads of the Central Reserve Police, the Central Industrial Security Force and other paramilitary security bodies, not only struck but in certain cases stood armed on the picket lines and fought bloody battles, bullet for bullet, with army strikebreakers. Their ultimate victory, taking their wages above those of the army private, was the signal for widespread public speculation as to how long it would be before the army followed the inspiring

example of the police! To impose a police state requires at least a reliable police force! But the rot has set in so deep that in India a clandestine employees' union has even been formed within the heart of any bourgeois state, the Intelligence Bureau!

If there had been a mass revolutionary party, there can be no doubt that the overwhelming majority of policemen could have been won to sympathy towards the workers, and many of them to active participation in the struggle for socialism. In the absence of any clear-cut appeal from the parties of the working class, the policemen were left in a dangerous limbo. Disenchanted with the cause for which they had first been enlisted, disgusted with their overlords, they nevertheless remained sceptical and unconvinced about the ability of the working class to offer a road forward to a new society.

Collapse of state machine

The result today is a complete disintegration of morale and cohesion within the police force, a situation as perplexing for the working class as it is disturbing to the bourgeoisie. Plunder, violence and rape have become the hallmark of police activity in every state. This is the reverse side of the same coin of police demoralisation as the magnificent strike of 1979. The road to revolution blocked, this same mood has expressed itself in ugly form. So out of control have the presumptive guardians of law and order become, that in the period immediately preceding the state assembly elections earlier in 1980, the police chief of the state of Madhya Pradesh solemnly issued a circular to all police stations under his jurisdiction, urging policemen, at least for the period up until the elections, to try to "desist from all further rapes"! (His job was at stake!).



Published in May 1980, Roger Silverman's pamphlet "India—The Gathering Storm" laid bare the real background to the protracted crisis of Indian society and was the only commentary to predict in advance the failure of Indira Gandhi to reimpose state authority.

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Price 75p inc. postage.

On top of everything else, the entire civil service has been plunged into a state of cynical apathy by the insecurity of their position following repeated changes of government. The only decisive act of the new government was to embark on a wholesale purge of officials promoted and appointed by the previous Janata regime, and the restoration of the emergency bureaucrats. Dismissals, transfers and demotions have been carried through on a massive scale, thus undermining any sense of purpose and any continuity in the state apparatus.

In this situation, to take at face value the periodic threats of "tough measures" would be naive. In contrast to the hysterical ravings of the discredited opposition politicians, the Indian bourgeoisie proper is on the contrary gnashing its teeth and tearing out its hair at the "dithering" of their sole serious candidate for the role of a Bonaparte. Even before the cruel blow dealt them by the death of their chief watchdog and

dictator-aspirant, Sanjay Gandhi, they were already muttering darkly about their sharp sense of disappointment. In June 1980, Indira was stung into reply, given in an interview to the magazine "New Delhi". To the pointed and rather cheeky question of the interviewer, speaking on behalf of the bourgeoisie, as to the reasons for her prolonged and uncharacteristic "dithering", she gave a very revealing reply:

"If you are on a road, however bad it is, you can go ahead. But if you are caught in quicksands, you have to be very careful about your movements....The economy, the atmosphere....it is just like we are caught in quicksands. Anything we may do can make things worse. So we have to tread very slowly."

Mrs Gandhi's reply comes from the depths of her troubled soul. No more apt metaphor could be thought up by any Marxist than that the Indian bourgeoisie is trapped in a quagmire, in which any step they might take would make matters worse.

The crisis of Congress (I) burst into the open within three months of its return to power, with the resignation of H.N. Bahuguna, a particularly astute capitalist politician who had slipped neatly in and out of every consecutive influential party at the appropriate moment. In the summer of 1979 he had spelled out explicitly the alarm of the bourgeoisie. Quoting the sordid catalogue of crisis—communal riots, atrocities against harijans, the "mounting wrath" of the working class, regionalism, secessionism, inflation, shortages, and above all the "recent revolt of security forces," he had declaimed:—"The country has reached the precipice, and courageous action is needed to pull it back from the brink. The nation is facing a great peril today."

Mr Bahuguna with this speech in the summer of 1979 rejoined Congress (I) and launched the stampede back to Mrs Gandhi's faction. It is therefore especially significant that this same ambitious arch-weathercock, within months of becoming General Secretary, resigned from the Party for the second time in three years, with loud denunciations of its leader, to form a new "democratic and socialist" alternative! The fact that so far no other prominent politicians have defected only proves once again that Bahuguna is a little more far-sighted than his contemporaries.

In emerging once again in January 1980 as the monolithic party of the Indian bourgeoisie, with a massive and unassailable majority in Parliament, Mrs Gandhi's party had not thereby conjured up a united and decisive leadership of her class, but on the contrary had only incorporated into the foundations of her own party all the fissures and contradictions and hesitation of the entire bourgeoisie, faced with an impossible task. The result is anarchy, a paralysis of the state, a void and a vacuum at the centre.

Marxism had predicted with the rapid succession of contradictory regimes in the course of the last few years, that India was following Pakistan into the vicious circle of weak parliamentary regimes followed by weak bonapartist regimes, none of them capable of providing any way out of the tightening impasse. The problem today is that it is hard to decide whether the present regime is a weak parliamentary or a weak bonapartist regime: all that is beyond dispute is that it is weak!

Nominally, the trappings of a parliamentary democracy remain, at least in their ornamental function. But it is a fragile and transparent facade. No less than five top Cabinet posts remain vacant nearly a year after the formation of the government, as a result of the shrill factional squabbling between the different wings of her own party. Of those cabinet ministers at their posts today, the election to Parliament of one has been invalidated by the courts, another has been officially indicted for gross abuses of power during his ten-year rule as Punjab's Chief Minister, and yet another is clinically mad! Nepotism, blackmail and bribery have made any pretence at a parliamentary vote utterly discredited in the public eye.

On the level of the state assemblies, the situation is even more hilarious. To take a few examples from recent weeks alone, the speaker of the Kashmir state assembly was locked up in his own rooms while the ruling party passed a vote of no confidence in him, the state assembly of Uttar Pradesh was invaded by police and what were described as "known criminals" in order to eject the opposition from the chamber, and the State Cabinet of Andhra Pradesh did not meet for months because the Chief Minister, a man rivalling Emperor Bokassa in his extravagant corruption, could not command a majority inside his own Cabinet. In the remote state of Himachal Pradesh, state emplo-

yees have been on strike for months and have set up what they describe as a "parallel government." The best possible insight into the public reputation of parliamentary politics today can be gained from a recent interview with a famous bandit in Uttar Pradesh, a man known to have killed no less than 340 people in his younger and more active days, who has re-emerged into the limelight keen to contest Charan Singh's seat as the candidate of Congress (I). A political ally of Mrs Gandhi, he told reporters:

"I've grown too fat. It's a tough life out there. You have to walk too much....I think I will become a politician. There is a good future in politics."

If, however, we are to see the regime as essentially a bonapartist dictatorship, then we have to say it is one of the most effete and ridiculous in history. True, Mrs Gandhi has passed legislation which on paper, would seem to give her draconic powers: a Preventive Detention Act, and a National Security Ordinance, which would be the envy of any bonapartist regime. But it is significant that these are ostensibly aimed, not at the workers, but at "black marketeers" and "communal agitators" respectively. Characteristic howls of protest have come from those racketeers and communalists without patrons within the Congress (I), all hiding behind the shrill cry: "Emergency!"

But attacks on the working class have been conspicuously ineffective. The regime tested the water with decrees banning strikes in two industrially developed states in the West of India, Gujarat and Maharashtra. They were not worth the paper they were written on. In the case of Maharashtra, India's leading industrial state, **the period when the decree was in operation coincided with the worst-ever month for strikes and lockouts in the state's entire recorded history!**

In May 1980, man-days lost in Maharashtra reached 650,000,

and on 18th June more than 45,000 workers were currently affected by a total of 80 strikes, 24 lock-outs, and 166 related closures. Not surprisingly, the ordinance was hastily "withdrawn".

Recognising the futility of imposing a new emergency as such, the bourgeoisie has been engaged in the quest for the holy grail of a presidential Bonapartist constitution along the lines of that imposed in Sri Lanka by the UNP. But even the plans for the composition of such a constitution lack any system or perspective. Perfunctory calls for such a constitution are characteristically vague and half-hearted. The bourgeoisie is being dragged by events towards the attempt to impose such a solution, but it is proceeding hesitantly and without conviction. The death of Sanjay Gandhi further deepened the despondency of the bourgeoisie and accelerated the ruling party's crisis of confidence.

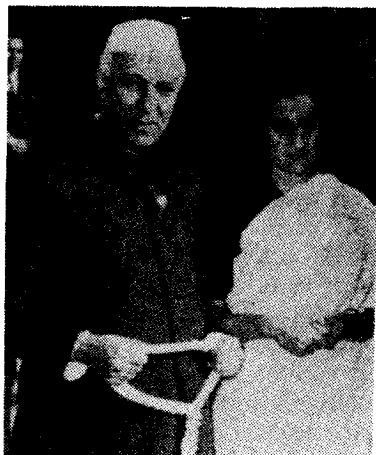
The securing of a predominant influence to Sanjay had been their overriding condition for Indira's return to power. He would stand guard over the interests of Big Business and act as a counterweight to any new populist adventures to the like of which Indira Gandhi had been alarmingly prone in the past.

By the time of his death in June 1980, Sanjay already wielded enormous power. He was openly referred to as "de facto Prime Minister" while his mother was assigned the more modest public relations role of "acting Foreign Minister"! Sanjay's death was redolent with an ironic symbolism. That a young man groomed to be dictator of the second most populous country on earth, should indulge in daily daredevil joy rides, speaks volumes of the degree of his faith in the future of Indian capitalism.

He might as well have played a daily game of Russian Roulette! His mother and the narrow clique of businessmen and political gangsters around him repeatedly warned him of his irresponsibility



Mahatma Gandhi



Father and daughter



Mother and son

in constantly dicing with death, gambling with their future.

But Sanjay's style of life and death was typical of the outlook of that whole stratum of nouveaux riches upstart millionaires that were the only people to have gained anything from the post war boom and the era of independence with which it coincided. These get-rich-quick whizz-kids' meteoric rise to power and fortune had been gained by their proficiency in walking a tight-rope on the narrow borders between speculation and crime, milking state funds (Sanjay's own Maruti car project is a good example), selling commodities short, indulging in currency speculation and black marketeering and generally racketeering in lucrative short term gambles, without a thought for long term investment and the development of India's home market. "Who cares, for tomorrow we may die?" was their motto, in their economic perspectives as much as in their personal lives, aping the most degenerate vices of Western capitalism in decay. Hence the exciting and dangerous hunt for quick thrills such as those provided by aerobatics, the ultimate playboy's sport.

The death of Sanjay Gandhi brought into sharp relief the real nature of India's ruling regime. The "world's biggest democracy" is in reality an uncrowned monarchy! Apart from a very brief interregnum under Shastri in the mid-'60s, and the disastrous Janata experiment, India has remained throughout the post-independence era under the rule of the Nehru dynasty. And just as Indira followed her father into the Prime Ministerial office, so it was naturally taken for granted that her son, Sanjay, was the accepted Crown Prince. And on his death, the only question that was asked was: should he be succeeded by his brother or his widow? The very idea of searching outside of his family for a successor did not seem to have occurred to anybody. Enormous

pressures have been brought to bear on Sanjay's brother Rajiv to don his mantle, in spite of the fact that Rajiv has no political ambitions and even less competence in politics than Sanjay.

The explanation to the conundrum why this should be so, provides a key to understanding the whole recent history of India, and, far removed though it might appear, is an eloquent tribute to the validity of the law of permanent revolution. In Sri Lanka, there was a mass proletarian party which, at least in its aspirations, was revolutionary, the only workers' party in any colonial country not crippled by Stalinist distortions and false schemas of "two stages". There the proletariat was able to take its rightful place at the head of the national liberation struggle.

But the LSSP was unique. As in every other colonial country, the Communist Party of India, a country where the proletariat was substantially stronger than in its Southern offshore island, refused to accept its historic role.

In deference to Stalin's wartime alliance with British imperialism, the CPI actually sabotaged the liberation struggle and was used as a tool of imperialism. By default of the proletarian leadership, scope was left for the relatively developed national bourgeoisie of India to play the leading role at the head of the independence struggle. In doing so, however, it had to pay a heavy political tribute. It was obliged to challenge, not only imperialist rule, but also the age-old legacy of social backwardness, all the while awkwardly counter-balancing its radicalism with a philosophical pacifism, both of which were out of consonance with the real features of Indian capitalism.

Given the heterogeneity of India, comprising hundreds of nationalities and languages, thousands of castes, and a multiplicity of religions, it was necessary for the leading faction of the national bourgeoisie to present an all-India vision, overriding local and nat-

ional particularism; to denounce those medieval relics which threatened to undermine the unity of nascent capitalist India; to launch a verbal crusade against casteism and Brahmin supremacy, communalism and Hindu bigotry. This democratic secular pseudo-socialist aura, combined with the pacifism adopted by a bourgeoisie already frightened of the power of the proletariat, lent to Congress a saintly guise, as personified by the ascetic figure of Gandhi. **But even the nominal socialism of Gandhi and Nehru was enough to evoke an enormous wave of devotion among the hundreds of millions of oppressed throughout the sub-continent.**

Once in power, the bourgeoisie was incapable of carrying through to a conclusion even its own democratic revolution. Landlordism, superstition, witchcraft, caste, communal bigotry, illiteracy, bonded labour, mass epidemics, tribalism, national and linguistic rivalries, and every other legacy of medievalism survive today in modern capitalist India.

Today, on the eve of a new world economic crisis, India's export industries (amounting to a dominant proportion of industrial output) squeezed by the recession and the beginning of new protectionist restrictions, winded by the inflation of oil prices, and other commodities, its starved and under-invested infra-structure of coal, steel and railways falling to pieces, all these ancient evils have floated back to the surface. How is India to hold together? That is the nightmare facing the bourgeoisie. The police and army are unreliable. The semi-fascist paramilitary gangs of the Hindu communalist RSS, resting upon narrow urban petit-bourgeois foundations, cannot find in the national patchwork of India secure foundations, and any attempt to promote their cause, (as was shown all too clearly during the Janata period) would only provoke a further movement towards national and communal disintegration. Like an impotent old man trying to recapture the

excitement of his first romance, again and again the bourgeoisie is driven back to resuscitating the stale myth of Gandhism, to restore power to the Nehru dynasty with its magic name.

In continually resorting to the same device, playing on nostalgic memories of the days of Gandhi and Nehru, by holding aloft the banner of Indira in her 1971 vintage, when she was ranting against poverty, then of Indira (Mark II), the battle-axe of the Emergency and after, then of Sanjay, then of Rajiv—there has even been a suggestion that Sanjay's infant son could later play the decisive role!—the bourgeoisie are hiding in the shadow of a shadow of an echo of the ringing battle-cries of the 1940s. But those days are gone and the spell is fading fast.

No clearer indication of the rapid degeneration of the Indian bourgeoisie could be imagined than the decline in less than 35 "saint" to Sanjay Gandhi the crook.

Socialism or barbarism?

The Roman emperors at the time of the decline of their civilisation adopted a policy of "bread and circuses". The dwarfs in India today who are trying to dress themselves in their grand old togas, are attempting to implement the same policy, but without the bread! That is the explanation for the obscene expenditure of tens of millions of rupees on the Rohini space rocket, and on the air-conditioned sports complexes for the coming Asian Games, at a time of mass starvation.

In India today we see in the starkest possible terms, the real meaning of the choice offered by Marx and Engels in 1848: socialism or barbarism?

Lenin popularised the idea of

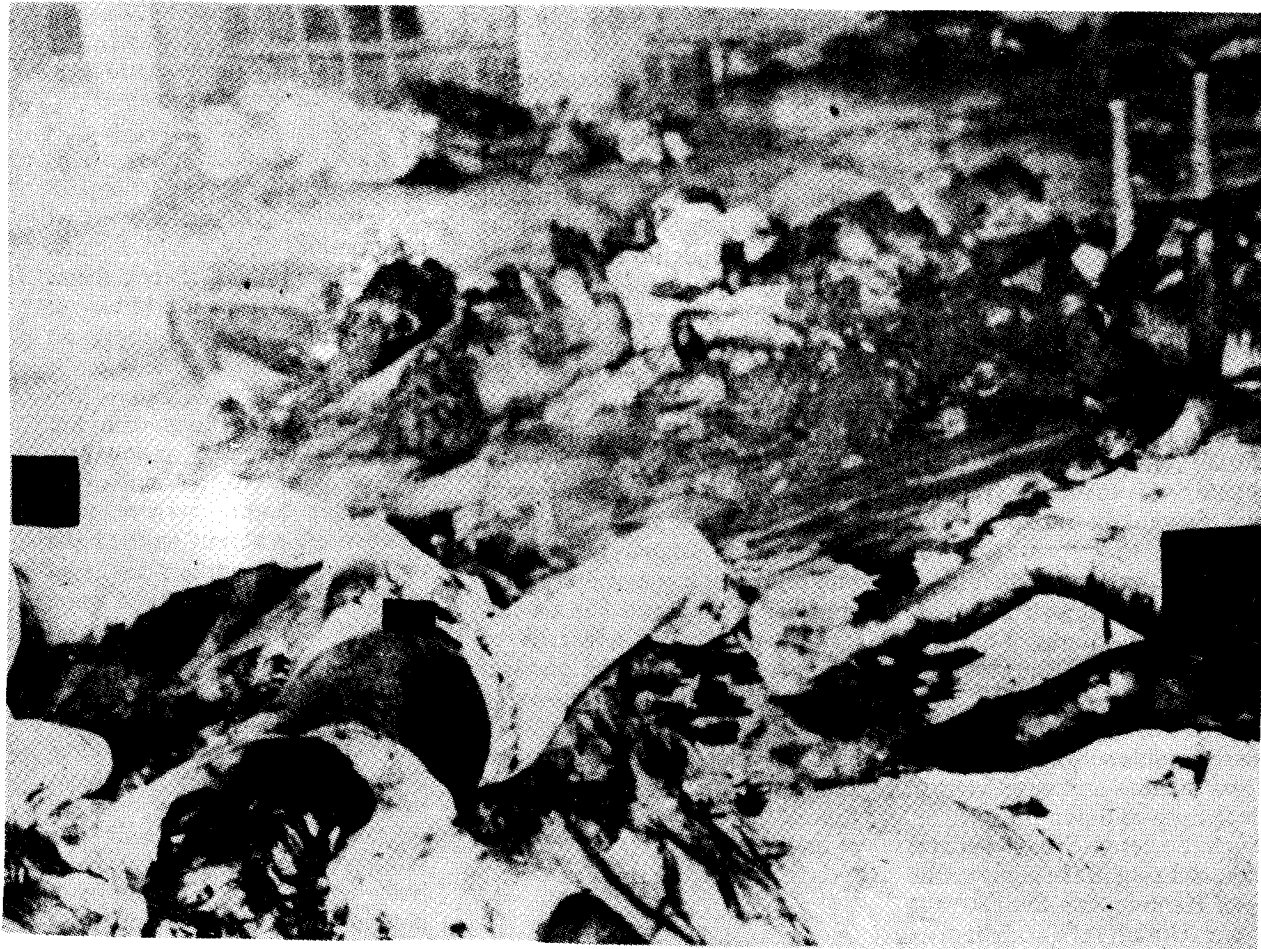
communism with the formula: "Communism = electrification plus Soviet power." "Power cuts plus communal massacres" would give us by the same token a pretty good definition of barbarism! India is sliding fast into the abyss of barbarism. The failure of electric power affects every city, and Calcutta for whole periods suffers cuts of up to 12 hours a day, bringing industrial production and all normal urban life to a standstill. The genocide in Assam and Tripura, the horrific caste atrocities of recent years and the latest police pogroms against the Muslim ghettos, give a hint of the holocaust which threatens an India stuck in the quagmire of capitalism in its epoch of decay.

If there had been in existence a revolutionary party, capable of seeing through the superficial crust of outworn illusions to the real revolutionary motive force impelling hundreds of millions into action, and penetrating the brash bluster of capitalist politicians to reveal the hollowness behind their threats; a party that would not be content to abandon the masses to fight a million scattered and separate struggles in isolation, but willing to link them together, draw the lessons out of each event, raise the workers' understanding of their own power, place itself at the vanguard of every battle, mobilise and co-ordinate their movements, make bold appeals to every new recruit to the class war, suffuse the consciousness of every worker with the common experience of other working people; then India would already be in the hands of the workers.

In the absence of such a Party, the vanguard of the proletariat has nevertheless been straining every muscle to break through the impasse towards a rational and harmonious society. That is the explanation for the ferment that has been raging within the Indian Labour movement for the last few years. It is this fighting mood which lies behind the split in the monolithic Communist Party in

TWO ROADS FOR INDIA

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Victims of communal massacres
Bombay workers on the picket line



1964, the spawning of the Naxalite movement in 1969, the sprouting of new unions under the umbrella of CITU, the CP(M) affiliated trade union federation, the modest growth of the UTUC, the federation linked to the centrist Revolutionary Socialist Party (which stands nominally for the socialist revolution and an independent programme for the working class), the rapid development of new and militant trade unions, some led by left dissidents from the CP(M) (A.K. Roy in the Dhanbad coalfields, Kuchelar in Madras) and others by plain gangster adventurers (Doctor Datta Samant in Bombay), and above all the formation of democratic workers' committees in certain key industrial areas, transcending the limits of bureaucratic trade union structures and uniting the workers, with elections and the right of recall, the closest possible scrutiny over their leaders' actions and strict control over the use of union funds.

Such bodies as the Swadeshi Workers' Front in the giant textile city of Kanpur and the Haryana Labour Union in Faridabad, a key industrial suburb of Delhi, mark a revolutionary break with the worst traditions of trade union bureaucratism in India, whereby unelected and self-appointed lawyers and "friends of the workers" have set themselves up as labour mediators who divide the workers and use them like toy soldiers in a vast game of power politics.

These new organisations guarantee the maximum democracy: the workers exercise vigilant control over their own trusted officials. They have an appeal to working people way beyond the limits of the factory walls, and inspire immense reserves of enthusiasm. They represent in the most concentrated form the elemental drive of workers to transform their own organisations and decide their own destiny. Born in a crucible of fire and blood, these organisations will remind conscious workers every-

where of the first Soviets established in the early stages of the Russian revolution.

A year after the restoration of the Indira Gandhi regime, there has been no let-up of the movement of the working people, nor any accession of confidence to the ruling class. But this situation cannot last indefinitely. Even a titanic movement such as that of the Indian workers today must eventually blow itself out, unless it becomes transformed into a revolutionary struggle behind a clear-sighted leadership, for workers' power. As conditions deteriorate from month to month and year to year, the vast petit-bourgeoisie and lumpen proletariat, who represent a massive segment of Indian society, and who are still looking principally leftwards to the working class—the natural agency of social change—for a way out of their misery, will become increasingly impatient and embittered by the conservatism of the ossified bureaucracies at its head.

Time is short!

The longer these bureaucrats succeed in constricting the labour movement in alliances with a rag-tag and bobtail of capitalist scoundrels posing as "progressive democrats" (there are at least half a dozen such parties scrambling today for legitimisation by the leaders of the Communist Parties); the longer they obstinately counterpose to a real alliance in action of the workers, harijans, peasants, and persecuted minorities, an accommodation at the top with capitalist parties which have exploited and betrayed their cause; the sooner will they fall prey to the seductive wiles of reaction. Whipped up into a frenzy of chauvinism, communal-

ism and sometimes secessionism, the pauperised middle class and the lumpen mobs starving in the teeming shanty-towns could ultimately pose a mortal danger.

The urgent task of the hour is to link together the militants of the existing workers' parties and trade unions behind a socialist programme. This would include the following points among them: workers' unity; denunciation of all capitalist parties, (above all those that call themselves "left"); the fusion of all trade unions into a single fighting body with full internal democracy; nationalisation of all enterprises employing more than twenty workers, with compensation strictly on the basis of proven need; workers' management of the economy and state through democratic workers' councils; workers' control at factory floor level to check abuses, wastage, and mismanagement; nationalisation of all plantations; division of large estates, on a basis to be determined by elected peasant committees, and the establishment of model collectives; unrestricted right of self-determination for all nationalities including the guaranteed right of secession, as an indispensable step towards the creation of a voluntary united socialist federation of the Indian sub-continent, combined with political opposition to secessionism as a trap and a blind alley; deterrent penalties against all national, linguistic, religious, caste or sex discrimination; committees to elect officers and negotiate conditions in the police and armed forces; the establishment of a workers' and peasants' militia.

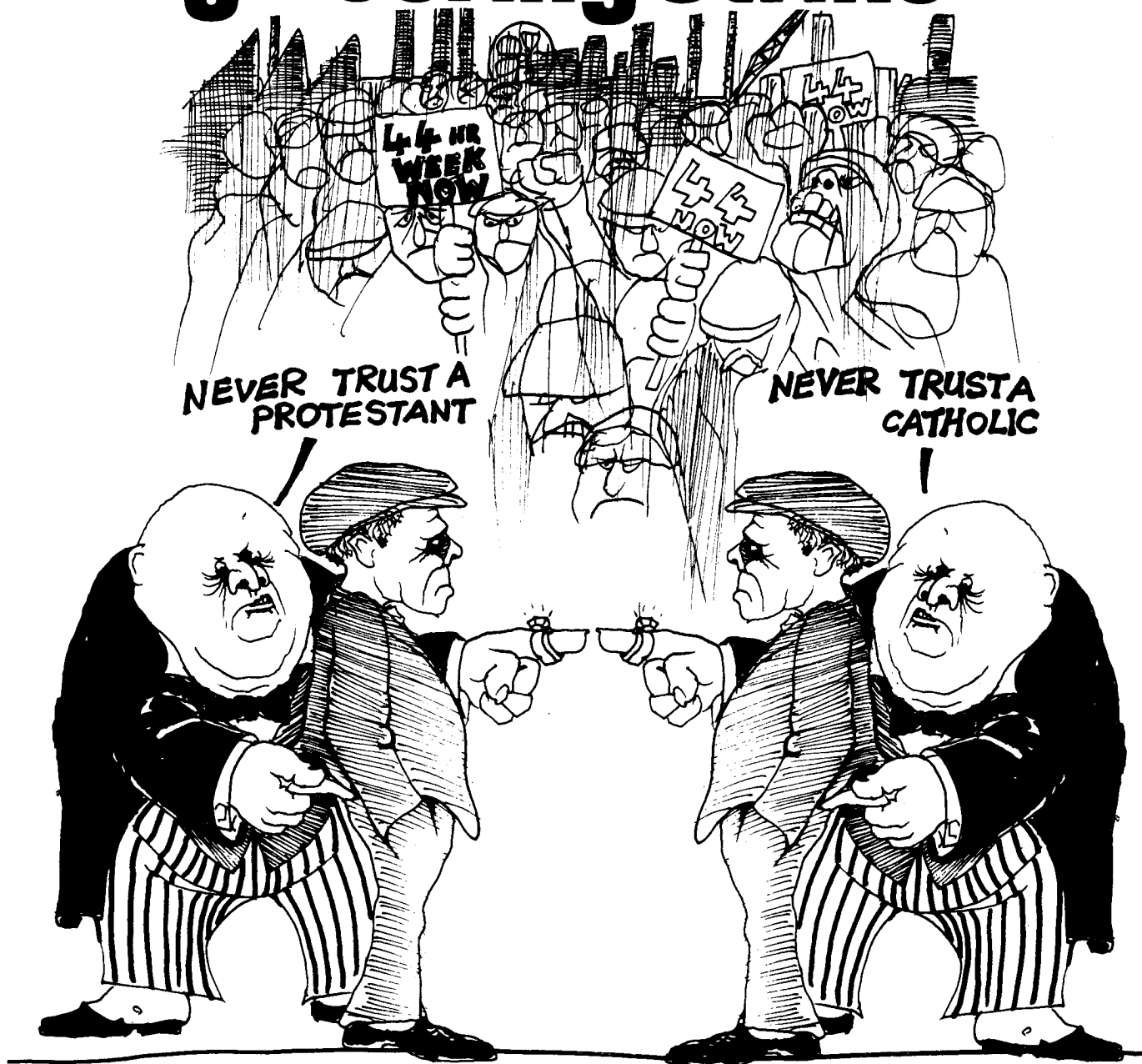
Such a programme would be greeted with a resounding echo in the factories, on the farms, and in the slums and ghettos. Armed with this programme, the workers could transform India from a living hell to a paradise, and avoid the prospect of a terrible blood-bath. But time is short!

November 1980

The 1919 Belfast Engineering Strike

By Bill Webster

25



For over four weeks, from the 25th January to the 24th February, 1919, 40,000 engineering, ship-building and municipal workers, together with building and construction workers, stood rock solid

in their determination to achieve a 44-hour working week without loss of pay. In all, some twenty unions were involved in this titanic struggle. Despite the attempts of the unionist politicians, the bosses

and the yellow press to inject the poison of sectarianism and the 'Red Scare' into their ranks, the workers of Belfast fought them off.

So much so that the 'Ulster Guardian', a semi-liberal news-

paper—it had supported Larkin in 1907—stated in its issue of the 1st February, 1919: "The city is now in the grip of the greatest strike that has occurred in the whole course of its history."

The strike of the Belfast engineering workers was part of an overall movement to achieve a shorter working week. At that time the hours worked in the engineering and shipbuilding industry, and industry generally, were anything between 54 and 57 hours per week. The rates of pay for skilled engineering workers varied between the districts from two pounds five shillings and two pounds ten shillings per week. Also, apart from Belfast—the engineering and shipbuilding workers in Derry also participated in the strike—the other main industrial centres of the struggle were Clydeside, Edinburgh, Leith and London. As far as the engineering workers were concerned, they were also determined, as one worker wrote in the *Amalgamated Society of Engineers Journal* in February, 1919, "To have their place in the sun. Tomorrow will be too late."

The London 'Morning Star' (not the paper of the same name today) graphically outlined, in its issue of the 27th January, the extent to which the workers of Belfast had been exploited by the bosses: "The workers of Belfast have been subjected to a tyranny that is almost inconceivable in this country." The 'Star' went on to "advise" the shipbuilders and the linen manufacturers who... "Have made colossal profits in the past to act promptly with the 'giant' who has determined to have his share." This "giant" of organised labour in Belfast, and in Britain, was also determined to share out the available work in order to avoid the threat of mass unemployment. Following the signing of the Armistice at the end of 1918, the owners of the engineering and munitions factories had laid off thousands of workers. The impending demobilisation of hundreds of thousands of servicemen laid further stress on the need to cut the

working week in order to absorb the unemployed.

International background

The events in the engineering industry in January and February of that year took place at a time when social upheaval and revolution was occurring in Europe. JB Jeffreys, in his book 'The Story of the Engineers,' explained the extent to which the international situation had affected the engineers—and the trade union movement as a whole in Britain and Ireland: "Added to these economic factors" ... (the strain of long hours, the rise in the cost of living, low wages and the colossal profits for the bosses—BW)... "opposition to the war became more pronounced, and the success of the Russian revolution and the peace negotiations undertaken by the Bolshevik government served to give political emphasis to the industrial struggles of the engineers."

The period from 1914 to 1918 witnessed a mighty struggle by the engineering workers to defend their living standards and their organisations. Despite the fact that the leaders of the engineering unions had given up, without so much as a whimper, the right to strike and had suspended a whole number of customs and practices, the engineers refused to bow to the demand of Lloyd George's government for the war effort.

Out of this struggle was born the Clyde Workers' Committee. Under the influence of the revolutionary socialist, John McLean, the 'Red Clydesiders' pointed the way forward. The revolt on the Clyde in 1915—including the famous rent strikes—sparked off similar revolts and strikes throughout the entire industry. The Belfast engineers downed tools on a number of occasions during this period. Willie Gallacher, the chairman of the Clyde Workers' Committee, and other Red Clydesiders' paid frequent visits to Belfast between 1915-1916 and 1918-1919 and spoke at crowded meetings of trade union-

ists and socialists.

Despite the repression organised by Lloyd George against the Clyde Workers' Committee in 1916, class tensions nearly reached breaking point. In May 1917 a general strike of engineering workers took place in Britain over the issue of the engagement of 'dilutees' on private as opposed to war time production.

The employers and the government were forced to beat a retreat. The shop stewards were quick to learn the lesson of this strike. In June of that year they established a National Administrative Council of Shop Stewards. They set themselves the task of co-ordinating the work of the districts throughout the engineering industry. (In 1919 this body affiliated to the 3rd International)

In 1918 as the imperialist war began to draw to a close, the shop steward began to apply pressure on the union 'tops' for the introduction of the eight-hour day.

Preparation for the Belfast strike

The Belfast engineering workers lost no time in putting their stamp on the shorter hours movement. Whilst the war was continuing, a meeting was organised by a committee of militants, made of rank-and-file officials in the Ulster Hall on 21st August. The militants were intent on applying the maximum pressure on the union executives and the local district committee of the Federation of Engineering and Shipbuilding and Allied Trades into taking action. Such was the mood in Belfast that "the Ulster Hall was crowded to the doors and another meeting had to be organised outside the hall." ('Belfast Newsletter' 22/8/1918)

The meeting overwhelmingly supported the resolution moved by James Freeland, Irish Organiser of the ASE, which called for the forty-four hour week.

Following the signing of the armistice the Federation of Engineering and Shipbuilding Unions reached an 'agreement' with the employers' federation on the basis

of a 47-hour week without loss of pay. The operative date was to be 1 January 1919.

The ballot papers put out by the union tops only offered the membership a choice between 54 and 47 hours! Consequently only 25% of all engineering workers bothered to vote.

A further meeting was held in Belfast on 5 December 1919. On this occasion most of the candidates standing for the Belfast seats in the "khaki general election" were present on the platform. The genuine workers' candidates, Freeland, Waugh and Kyle—all Independent Labour men—and three of the leaders of the "44-hour" movement—made the running. Apart from Sir Edward Carson, none of the Unionist candidates—who included the 'stooge' 'Labour' Unionists candidates—spoke against the demand for the 44 hours.

The shipyard employers refused to give way on the workers' demand for the 44-hour week. They argued that they could only fall in line with the working week adopted 'across the channel'—e.g. the 47 hours.

Tens of thousands of engineers were working this system "under protest". A general strike of engineers broke out in January on Humberside. In Grimsby, armed sailors were sent in to the power station when the engineers walked out. This act of strike-breaking—on the orders of Lloyd George—was to serve as a dress rehearsal for the events that were to take place in Glasgow and Belfast in February.

On January 14th, the District Federation in Belfast made its move. A ballot was organised to decide whether the 47-hour week should be accepted or the demand for the '44' be fought for instead. Only 1,184 voted for the acceptance of 47 hours, 13,508 voted against. A massive 20,225 voted for an unofficial strike, if necessary, to enforce a 44-hour week, whilst only 558 voted against!

The owners of the shipyards, the engineering shops and the Belfast Corporation had until the 27th January to concede to the workers'

demands. If they refused then an all-out strike would commence on Saturday 25th January.

The Belfast engineering workers quickly made contact with the workers on the Clyde.

The Clydeside engineers decided that they would strike on Monday 27th January on the basis of 40 hours for all workers!

A fatal mistake had already been made by the shop stewards in Belfast, Glasgow and elsewhere. No attempt had been made to call a meeting of all engineering shop stewards under the auspices of the National Administrative Council of shop stewards. The failure to thoroughly prepare all districts for strike action, and to work out an agreed programme of hours of work, wages etc. let alone strategy and tactics, was to have drastic consequences for the engineers in the ensuing weeks.

Strike begins at Belfast

At 12.45 pm on 25th January, all work ceased in the shipyards and engineering firms. The Engineering and Shipbuilding Federation met at 3 pm. Together with delegates elected from the district and branch committees of the various trades they formally constituted themselves into a 'General Strike Committee', under the chairmanship of Charles McKay. Various sub-committees were also established such as an editorial board to take charge of the publishing of the 'Workers' Bulletin'—the organ of the strike committee. A 'Corps of Peace Pickets', which was an embryonic trade union defence force, was established under the control of the pickets' committee—itsself directly answerable to the general strike committee. The 'Peace Pickets' patrolled the streets of Belfast during those historic weeks. They wore white bands around their hats and carried clubs. Their jobs was to prevent looting, hooliganism and to "take care" of any scabs! An entertainments committee and a welfare

committee were also established.

Decisions were taken quickly. Deputations were despatched to the electricity light station and to the gas workers. By 5 pm the trams were off the streets. Electricity was only to be supplied to the hospitals. Belfast was purged into darkness! The town gas supply was completely shut off. As the various strikers' deputations moved around the city they were greeted with cries of "Bolsheviks!" by middle-class pavement bystanders; the strikers replied, "Up the Bolsheviks!"

At midnight that Saturday the first issue of 'The Belfast Strike Bulletin', later to be renamed 'The Workers' Bulletin', came off the press—price one penny. In all eighteen issues were produced. The 'Workers' Bulletin' was the most widely read paper among the working class during those tumultuous weeks in Belfast. The articles and items in the modest paper gave living expression to this titanic struggle of the Belfast working class. On Monday 27th January the general strike committee was to tighten the screw. Mass picketing was used to prevent any section of workers foolish to attempt to break the strike. None did! Pickets permanently manned the Queens Road leading to the shipyards. Nobody was allowed down without a pass from the strike committee. Company directors frothed at the mouth when they were told they too needed a pass to enter the yards!

The No. 2 issue of the Strike Bulletin reported that there was now a "complete stoppage in almost all the mills and factories."

On Tuesday 20th January a massive demonstration of over 20,000 workers took place. Not since the days of Larkin's presence in the city had such a spectacle been seen. 'The Ulster Guardian' described the demonstration as, "A marvel of organisation illustrating the dramatic collapse of the old political and religious differences... Nationalist and Orange Bands joined together in the march, and altogether the event was unique as marking the decay of many of the old traditions..." ('Ulster Guardian

1 February 1919)

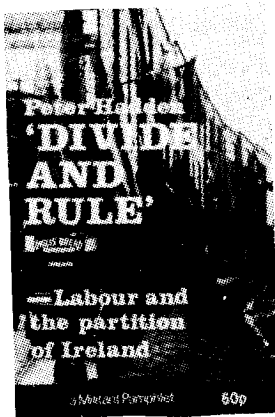
(At the monster meeting a resolution was simultaneously moved on behalf of the strike committee at each of the five platforms declaring "that no rent or tax would be paid until the 44 hours was conceded." Not surprisingly it was carried unanimously.)

It was this "dramatic collapse of the old political and religious differences"—in fact the process had begun in 1905/6—within the working class and the growth of support for socialist ideas, particularly amongst the protestant working class, that frightened the employers and their kept press.

Having made a feeble attempt to split the ranks of the unions they now went on the attack—with all the venom they could muster. 'The Belfast Newsletter'—the mouthpiece of the Unionist ascendancy—in its issue of the 31.1.1919 described the strike committee as "an industrial soviet, influenced by Bolshevism and Sinn Feinism", and its editorial warned, "We know what sovietism produced in Russia." The 'Newsletter' castigated the city fathers for what they described as, "The involuntary acquiescence of the civil authorities" to the power and influence of the strike committee.

The "yellow press" knew full well that the general strike committee was hesitating on the question of moving towards a general strike situation and therefore they decided to hack away at this weak link in the armoury of the workers' leaders. The Transport Federation, the dockers, carters and railwaymen had approached the strike committee for joint action—"so as to ensure the success of the workers' cause" ('Belfast strike bulletin' No 3). The strike committee, despite their excellent methods of organisation to date, were worried that they could not handle such a situation. Their failure in not calling out the transport workers from the very beginning was to prove to be a disastrous mistake.

Meanwhile in Glasgow, the strikers had dug their heels in.



Divide and rule

Why was Ireland divided? What was the role of the labour movement, above all of James Connolly, during the years before partition?

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Price 70p including postage and packing.

Over 100,000 workers were now out on strike. Two days before the 'Newsletter' screamed about the menace of Bolshevism, the naked brutality of the British ruling class, in the form of police batons and nightsticks, rained down on the skulls and bodies of striking engineering workers in St Georges Square, Glasgow. Ten of the strike leaders were arrested, including Manny Shinwell, Willie Gallagher and David Kirkwood. A warrant was put out for the arrest of Harry Hopkins, the district secretary of the ASE. The next day thousands of troops armed with machine guns, mortars and tanks were drafted into the city. Martial law was declared.

The situation now began to change dramatically on all fronts. The strike committee sent a telegram to the provost in Glasgow demanding the release of the arrested leaders. Yet one strike leader in Belfast remarked that "with clean methods they would win!" The employers and the government of Lloyd George recognised no such methods! On 4th February the 'Newsletter' launched another attack on the strike committee. They took up a statement made by one of the strike leaders that the engineering workers had established a "workers' parliament". The 'Newsletter' argued that "The real objectives of the strike committee are not industrial but revolutionary" ('Newsletter', 4/2/1919). The 'Workers' Bulletin' replied that "this was not clean warfare!"

The 'Newsletter' at this point in time was suggesting that the troops be brought into Belfast to teach the workers a lesson—just like in Glasgow! The struggle of the engineers in Glasgow and Belfast was now beginning to infect the rest of the trade union movement. The Scottish TUC meeting on 2nd February urged all executive committees "to take such action as would support the present strike." The electricians and engineers in London had decided to strike from 6th February in support of Belfast and Glasgow. The shop stewards' administrative council had met and demanded the implementation of the 40-hour week. Throughout the trade union movement workers were preparing to take action over the issue of shorter hours and better wages. A general strike was implicit in the whole situation.

The Irish Labour Party and Trades Union Congress meeting in February in Dublin had decided to levy all its members to the tune of one shilling per week in support of the Belfast and Glasgow men. The Congress was also demanding wage increases of up to 60%. The organised labour movement was moving ahead in Ireland. The confidence and class consciousness of the movement had never been higher. What was lacking was a revolutionary leadership.

Monster meetings and demonstrations continued to take place in Belfast. Visiting speakers from Britain including Purcell, one of the "leaders" of the 1926 general strike, came over to give support to

the Belfast men. Attempts were now being made to reach a settlement on the question of the shorter working week. The employers were demanding that the public services be restored before they would enter into negotiations with the strike leaders.

The strikers in Belfast, Glasgow and London were now dealt a vicious blow by their leaders. The government informed the British TUC that they were going to make a change in the regulations under the war-time Defence of the Realm Act. Faced with an all-out strike by electricians in London they now made it an offence for any worker or group of workers to deprive the community of lighting. The ASE executive buckled under pressure from the government and suspended the Glasgow, Belfast and London district committees!

The national negotiating body of the UK Federation of Shipbuilding, Engineering and Allied Trades instructed all ship yard workers at present on strike to return. Within the space of one week the union "leaders" had broken the back of the strike in Glasgow, and the men returned under the old conditions on 11th February. Savage reprisals were adopted by the bosses, many stewards found it impossible to get a job. Two of the shop floor leaders were imprisoned, Harry Hopkins, the district secretary of the ASE, was sacked.

Belfast was now out on its own. Proposals for a return to work were finally worked out between the shipyard employers and the strike committee and put to the strikers in a ballot. The 'Workers' Bulletin' in its issue of 12th February stated that the men would return to work on the basis of a 54-hour week. The employers would undertake to call a national conference of engineering and shipbuilding trades to consider the hours question within 30 days from the resumption of work. They would then recommend a working week of "less" than 47 hours. Failing a settlement by the National Conference, the Belfast employers would settle with their own men within 21 days.

The engineering and electrical employers, however, decided that they did not feel bound by the terms of the ballot, as they were not parties to the original agreement drawn up by Lord Pirie, managing director of Harland and Wolff and Government Controller of Shipping! They insisted on the 47-hour week operating within their factories. Thousands of workers were to vote, knowing full well that it would mean different hours for the shipyard and engineering shops!

In the light of this the 'Workers' Bulletin' stated on the 12th February that the shipyard workers would never desert their comrades "whatever the final settlement, it would be a settlement to include all the workers who are represented in the federation."

Mayor sends the troops in

The Belfast Corporation, believing that the workers had all but given up the fight, restored the essential services on Tuesday 11th February. The agreement between the strike committee and employers was that all workers would remain out until after the ballot. Pickets were immediately sent to Castle Junction. The passengers were ordered off, and the tram drivers instructed to take the trams back to the depot. The strike committee warned the civil authorities that if the gas and electricity services were not immediately suspended, they would call out all the Federation members at the two undertakings, thus shutting off electricity and gas to the hospitals. The 'Newsletter' in its issue of 12th February, screamed about the "tyranny of the strike leaders" and "the dictatorship of the strike committee." The result of the ballot was announced on 15th February. 11,963 had voted against the proposals, 8,774 had voted in favour. Only 50% of those entitled to vote had done so. According to the 'Workers' Bulletin

of 15th February 1919 the votes that were not polled "can certainly be taken as dead against accepting the employers' proposition." A substantial sector of the strikers were opposed to the ballot being taken in the first place. As far as they were concerned it was "44 hours or nothing"!

The Lord Mayor—backed by the employers—now delivered a hammer blow to the strike committee. Troops were put into the power station and gas works on Saturday 15th February. The new legislation under the Defence of the Realm Act was used to force the men to return to work. The stewards who refused to go back to work were arrested. By Monday 17th February the electricity and gas supply were restored, and the trams were running. The employers in the ship-yards and the engineering shops, knowing that the strike was collapsing—due to the policies of the local and mainly national trade union leaders—announced that they would reopen the factories on Tuesday 18th February and the yards on the 20th February. All the men were to be put on the 47-hour week! At a crowded meeting in Belfast on Sunday 16th February the rank and file were indignant—to put it mildly—about the troops being brought in to break the strike. The chairman of the meeting was handed a resolution from the transport workers which stated:

"That this meeting of the Belfast workers at present on strike is of the opinion that in view of the action of the authorities in introducing the Military to break the strike, and in order to back up the result of Friday's ballot, the transport workers should be allowed to come out on strike in accordance with their expressed desire to do so." The resolution was adopted by the meeting. It was never acted upon by the strike committee.

The 'Workers' Bulletin' on 17th February stated on its front page: "The issue of the ballot is conclusive and the Federation has already taken steps to carry on the struggle to a victorious ending."

Exactly 24 hours later the strike committee did a complete turn about! On the front page of what was to be the final issue of the 'Workers' Bulletin', the statement ran: "In the final score, when it was becoming clear that a minority going back to work would break up the solidarity of the workers, the leaders came to the brave (IBW) and wise decision to advice retreat as a disciplined army rather than risk dealing a blow at the unity which at all costs it was necessary to preserve."

The strike committee was accused of organising a sell-out by many rank-and-file members. On the 18th and 19th February the unions voted separately on the question of a return to work. Twenty unions voted to go back and two voted to stay out. By Monday of the following week all the men were back at work. The troops were withdrawn from the power station and gasworks that same day. The historic Belfast engineering strike was over.

Conclusions

The Belfast engineering workers, from August 1918, "had put themselves in the forefront of the struggle for the shorter working week" as Purcell had stated at the mass meeting in Belfast on 4th February 1919.

During those historic weeks they had shown a tremendous capacity to struggle and to fight off the attempts to whip up sectarianism by the yellow press, the employers and the Orange Order.

The organs of struggle which they threw up—"the Workers' Parliament" and "the corps of Peace Pickets" in particular—were of revolutionary significance.

The 1919 strike was no run of the mill dispute. The Belfast employers, the Unionist ascendancy and the government all realised this from the very outset. With virtually the whole of the trade union movement in revolt, with unrest in the army and the police, the shorter hours movement had to be crushed

at all costs. For what was at stake was the whole stability of British society. That was why Lloyd George, in his address to Parliament on the 11th February, remarked: "We are determined to fight Prussianism in the industrial world exactly as we fought it on the continent of Europe with the whole might of the nation." ('Newsletter' 12.2.1919)

For the shorter hours movement to have been successful in the first instance, it required thorough preparation by the shop stewards in all the main districts. Instead of all the areas moving at the same time and with the same demands, the struggle was undertaken unevenly. Despite the treacherous and supine policies of the trade union leadership at national level, a hardened and steeled leadership within the ranks of the engineering unions could have led the struggle to a victorious ending out of which many rich political lessons could have been learnt.

In Belfast between the years of 1905 right up to the Act of Partition in 1921 there had been a tremendous growth of socialist ideas among the working class. By August of 1908 the Labour Representation Committee had the affiliation of 150,000 trade unionists. Unfortunately the leaders of the Labour Representation Committee who were involved in the 1919 strike were hell bent on keeping class politics out of it! Despite their role in organising the strike, they nevertheless lacked the necessary revolutionary understanding.

However, the rank-and-file members of the strike movement learnt many rich lessons. In their eyes the press, the Unionist ascendancy and the employers had been exposed as the real enemies of the working class. The tremendous solidarity that had been generated throughout the strike was carried over onto the May Day demonstration that year, when over 100,000 workers took part in the May Day marches. In January 1920 the corporation elections took

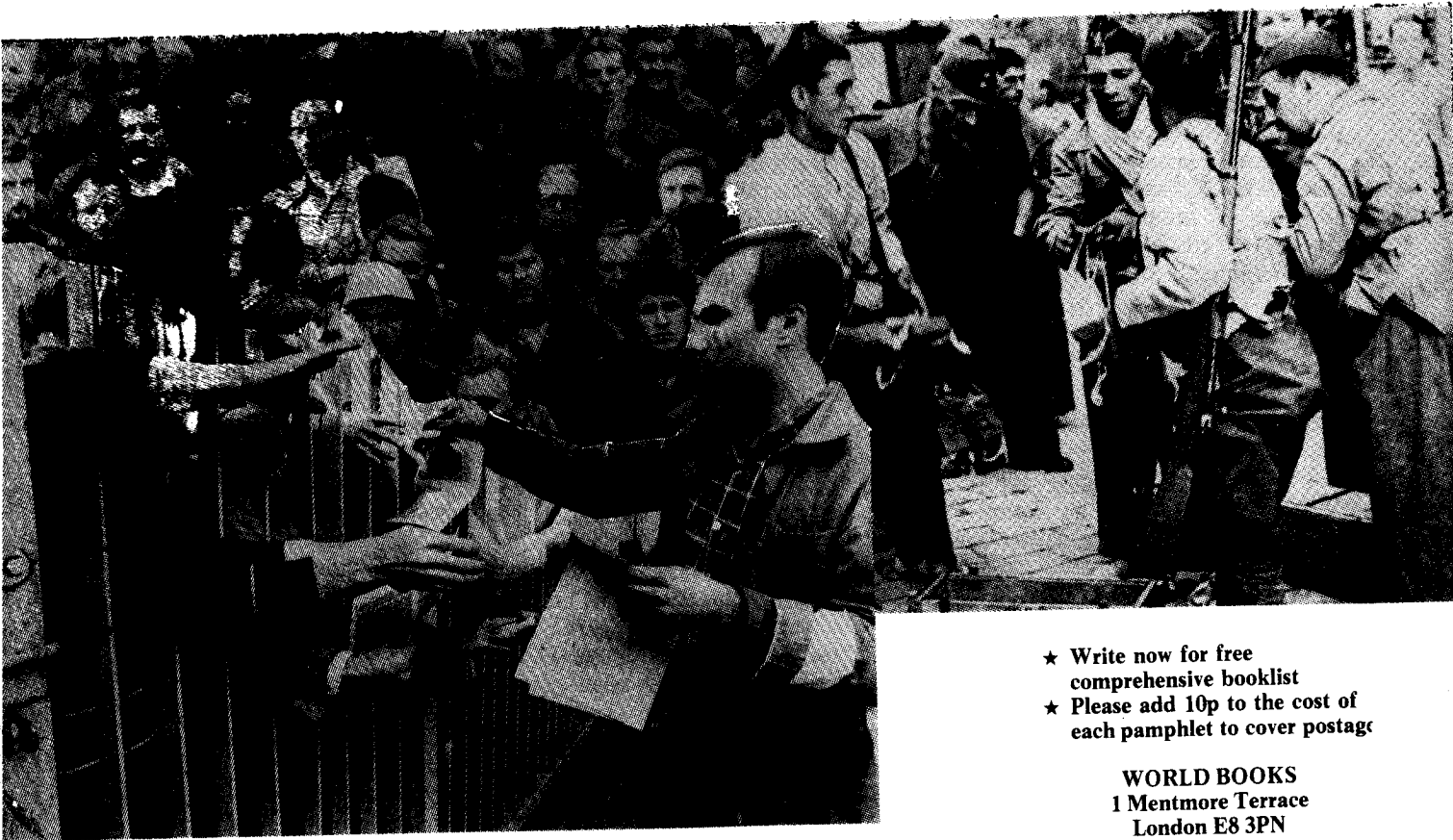
place. The Belfast Labour Party nominated 20 candidates for the 60 seats. Thirteen were elected; two of them, Sam Kyle in Shankhill and George Donaldson in St Anne's, came top of the poll! In fact five of the thirteen labour candidates who were elected were leaders of the 1919 engineering strike.

The 1919 strike sparked off a whole series of factory occupations, sit-ins and the setting up of soviets in many parts of Ireland.

The coming together of the national question with the social movement of the masses was the factor that finally forced British imperialism to move towards partitioning the country in 1920.

Before that could take place the monster of sectarianism had to be let loose amongst the working class. So it was, that 18 months after the defeat of the 1919 engineering strike, mass expulsions took place in the engineering shops and shipyards that ironically had been the backbone of the strike. Over 12,000 men—including the leaders of the 1919 strike—were expelled in an orgy of violence fostered by Sir Edward Carson and the Unionists. Of the 12,000, 3,000 were Protestants and most of them were socialists, Labour men or militant trade unionists.

Sixty years after the 1919 strike, the trade union movement is preparing to do battle once again. During the past decade the unions have resisted attempts by sectarians to split the ranks. Today the trade union movement in the North is the single most powerful force in Northern Ireland. For the 300,000 trade unionists and their families the ideas of workers' unity and socialism offer the only way out of the nightmare of capitalist oppression. The job of all serious socialists and militants within the unions is to relearn the rich lessons of our movement, and to fight unsparingly to build a mass socialist party equipped with a Marxist leadership, and a clear class programme. Only then can we begin the task to settle the score with capitalism and imperialism once and for all.



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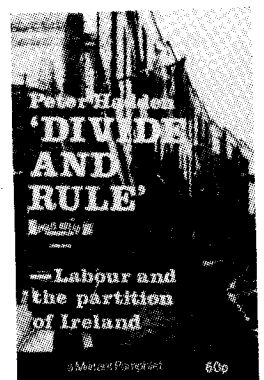
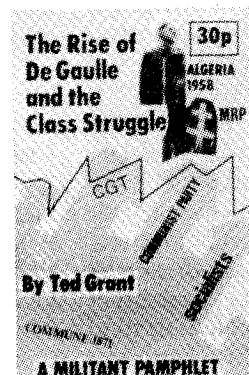
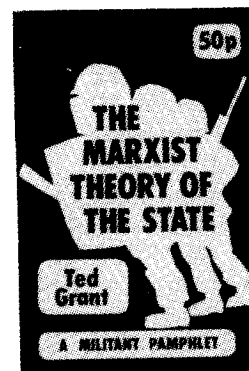
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