



# MILITANT INTERNATIONAL REVIEW

A Marxist Quarterly

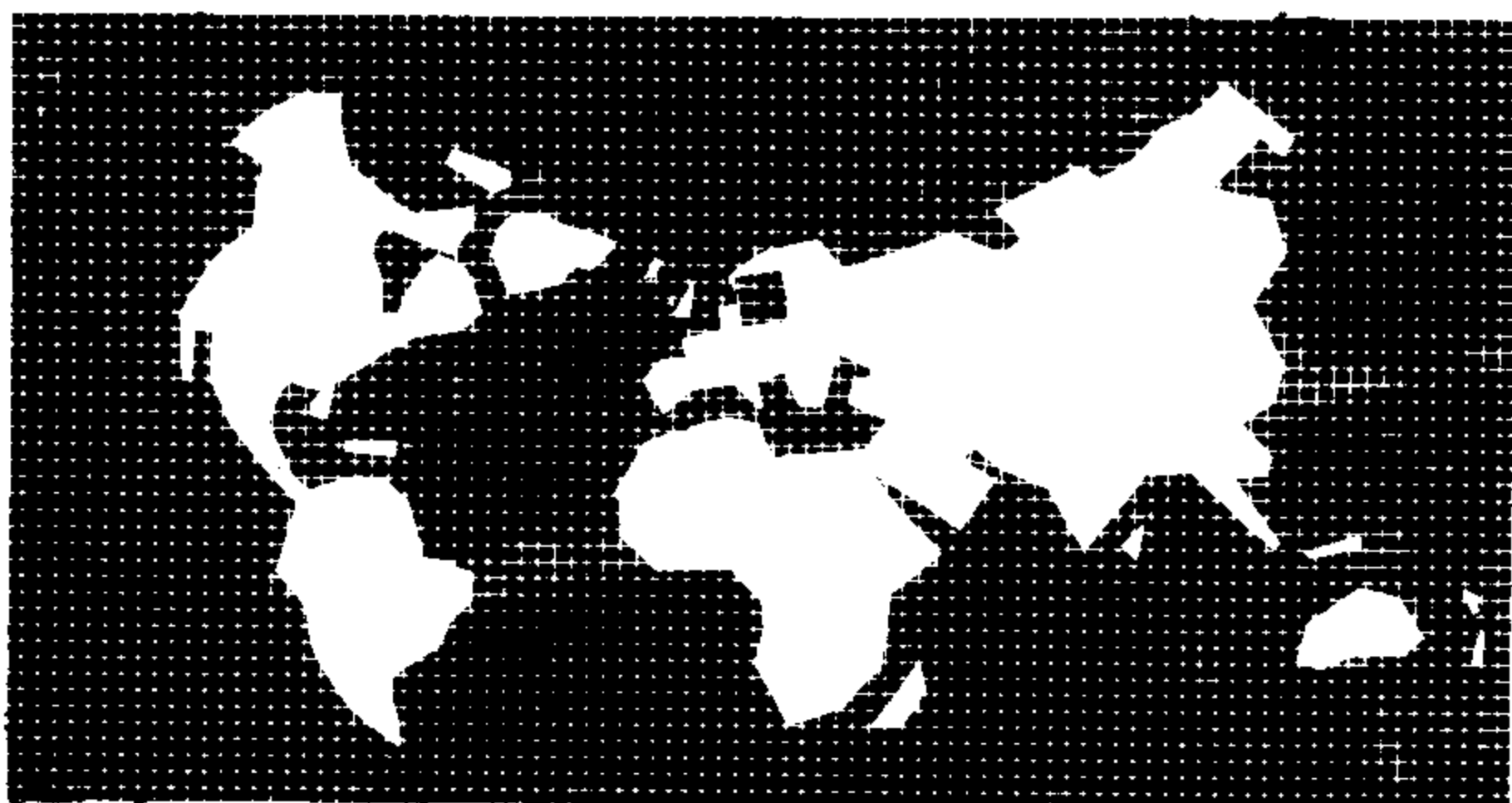
No5 January 1972 15p

EDITORIAL  
BLACK NATIONALISM  
WORLD CURRENCY CRISIS  
CHILE

MILITANT  
INTERNATIONAL  
REVIEW

CONTENTS

|                                                   |                                       |    |
|---------------------------------------------------|---------------------------------------|----|
| Editorial                                         | – Economic and Political Perspectives | 2  |
| Black Nationalism – Which Way for American Blacks | By Peter Taaffe                       | 10 |
| Currency Crisis                                   | – Omen of Capitalism’s Collapse       | 19 |
| Chile                                             | – The Threatening Catastrophe         | 28 |



# EDITORIAL

## Economic and Political Perspectives

### World Economic Sickness

Reports are filtering into the pages of the more serious journals of British capitalism as to the downturn in the economies of all the industrially developed countries. For the first time since the Second World War a general recession (or small slump) affecting practically all the developed capitalist countries simultaneously has taken place.

The gross national product of Japan in the second quarter of this year reached an annual rate of 76,295,000 million Yen. This was 1.4% up nominally but down 0.2% in real terms. The prediction by Japanese finance is that capital spending by industry will only rise by 3% in the fiscal year of 1970-1971. The biggest 1479 companies combined declared profits from October 1970 to March 1971 which had declined 3.5% over 6 months. The first fall in 11½ years. This was before the crisis provoked by American capitalism's introduction of the 10% surcharge on imports and other measures caused by the currency crisis, the adverse balance of payments and the sluggishness of the American economy.

The so-called Japanese miracle has been due mainly to the expansion of the American and world market, plus the fact that Japan did not have the enormous burden of expenditure on arms like her rivals, but could plough back a greater part of the surplus extracted from the working class. Japan spent 1.3% of the GNP (Gross National Product) on arms as compared with America's formerly 10% and now 6-8%. This surplus expanding at a compound rate amounted to an enormous advantage.

Japanese capitalism was thus the kept pet of American Imperialism. The US was Japan's protector, she did the fighting in the wars in Asia, and at the same time was Japan's biggest market. 30% of Japan's exports go to the United States. Japan took advantage of world contradictions, under the favourable conditions of world economic upswing. That is the main explanation of the Japanese as of the German economic miracle. As the Fuji Bank of Japan comments in its monthly bulletin of October "That (America as Japan's biggest customer) has been and remains the cornerstone of Japan's economic progress."

In the USA corporate profits rose to \$46,000 million in the second quarter of 1971 in comparison with \$41,000 million in the second quarter of 1970. "With prices up and costs under control, many companies were able to translate mediocre gains in sales volume into large gains in after-tax profits." (Report of the Chase National Bank of America.)

Despite the measures taken by Nixon, production in America is barely creeping forward. An article in the Financial Times of November 15th deals with the malaise in world steel production, always a reasonable index of industrial production and says "The world's steel masters have lived through recessions before. But few can recall....at least in the years since 1945....a recession that has been as intense in both duration and extent as the present one".....some even doubt whether the new big upsurge in steel orders will come before 1973 or even 1974."

Steel output in Britain was down 10% to the end of October. In West Germany output fell in the same period by the same percentage. France has suffered a 6% fall and there has been a 2% fall in the Netherlands during the same time. In the US production dropped by 7% for the 10 months of the year. Output has dropped in Japan since April, the largest decline for 25 years. There is a suggestion by the Japanese steel producers of a cut of 18% from September this year.

With the "limitless prosperity" forecast by the soothsayers of capitalism the projected production of Japan in 1975-76 was to be 160 million tons of steel. Now the target has been reduced to 105 to 120 million tons, with the emphasis on the former. Production this year is still expected to be in the region of 96 million tons.

This is the first time since the war too, that the industrially developed States big and small have been affected by declining industrial output and a decline in the rate of increase of investment in Japan, the U.S., France, W. Germany, Italy, Sweden and Canada. As a reflection of this the stock market is plummeting in New York and has fallen in London.

The post war "confidence" of the capitalist class is seriously shaken. In America Nixon was elected on a programme of the "need to reduce government intervention", instead on the basis of the lag in production we have the biggest government intervention since the war. Unemployment whose spectre had been abolished as the result of full employment remains obstinately at 6 million in the U.S., 1 million in Britain, 1 million in Italy and a projected  $\frac{1}{2}$  million in France and Germany,. Sweden always held up as an example by both the Liberal economists and the reformists in the Labour Movement has an unemployment problem of some hundreds of thousands.

In all the capitalist countries the entrepreneurs are complaining of a fall in the rate of profit which has affected all of them in one measure or another. There is substantial excess capacity in all of them. In America the economy is working only at 73% of capacity. In Britain only 64% of capacity. The measures of Nixon in response to his "Keynesian" advisors failed utterly. The recipes of "Friedmanism" too were useless. Consequently American Imperialism in order to stimulate the economy was compelled to take protectionist measures in relation to the ailing American economy and reverse the trends of the post war epoch of freer trade which reflected and gave an added impetus to capitalist world prosperity.

## America Offloads Crisis

Now the burdens of the so-called "free world" are to be loaded onto the shoulders of her allies and rivals. America is demanding that her allies and rivals take over a bigger share of the crippling arms burden. They must open up their markets to American goods. Non-tariff restraints on exports must be lifted and before America abolishes the 10% surcharge on imports there must be a substantial revaluation of the currencies of her principal rivals, especially Japan and the EEC.

It is possible that there may be a temporary compromise between America and her competitors. But even the allies of the Common Market France and Germany cannot arrive at agreement as to how to meet the American demands. Britain does not wish to revalue, Japan has failed to come to even a bi-lateral agreement with America. All this is an indication of the underlying crisis of the whole of the capitalist system.

Capitalism is faced simultaneously in all countries with falling production and rising inflation and rising unemployment is unprecedented since the war. Failing to solve the problem at the expense of the working class they must try and solve it at the expense of their rivals. Nixon's prices and incomes policy which is really aimed at the standard of living of the working class will inevitably break down because of the inevitable resistance of the American workers against these impositions. America's attempt to solve the problem at the expense of her rivals too, will meet resistance when her rivals discover that they cannot afford to import unemployment. They will wish to escape from American rationing. This in its turn will provoke retaliation. Finland and Denmark have already imposed a 10% surcharge on imports.

The trade war, which will develop unless a compromise can be worked out rapidly. Even if compromise is reached it can only be of a temporary character. The trade war which Humphrey the former vice-President speaks of with foreboding, is inevitable in the long or the short run. "World wide trade warfare looms larger with each passing month. Because only 2.5% of their national income derives from foreign trade, when tied aid and military shipments are excluded, Americans are quite capable of viewing that prospect with comparative equanimity. Nobody wins in a trade war though and Americans have had enough of wars nobody can win."

The very factors which made for co-operation between the capitalist powers and the much vaunted prosperity are the very factors which have produced the antagonism and struggle between the Powers. The increased inter-dependence with the intensified world division of Labour clashes against the impediment of national markets and the private ownership of capitalism. Consequently it cannot but provoke convulsions. The development of the forces of production during the last 25 years which was the reason for the relative stability of the industrialised capitalist powers has now piled up new contradictions on a higher level.

The expansion of the world market, which meant also an expansion of the working class and its power, now comes against the impassable barrier of private capitalism and the national state. Temporarily, in absolute terms standards of living of the working class increased. But this too is coming under strain. Under all types of Government from the Liberal Democrats of Japan, the Republicans of Nixon, through the "Socialist" Government of Sweden and the coalitions of Christian Democrats and Socialists in Italy and the Free Democrats and Social Democratic coalition in Germany and the Conservative Government in Britain, resistance to the demands of the working class for improvements in wages and conditions is their main concern.

The collapse of the world market would mean great social convulsions in America and the West. All these developments are in their turn due to the fall in the rate of profit but this is only the other side of the enormous technical progress of the last quarter century. As is well known Marx explains the tendency of the rate of profit to fall by the increasing amounts of capital going to constant capital, i.e. machinery, buildings and raw materials in comparison with the amounts invested in variable capital or labour power, the sums invested in the wages of the working class. But the profit of the capitalist class only comes from the variable capital, being the unpaid labour of the working class. Consequently the colossal sums invested in fixed capital result inevitably in the difficulties being experienced by the capitalists and the lagging of investment in all the capitalist countries. It is in the more modern "capitally intensive" industries that this process is especially strong - chemicals, electronics, computers, plastics, have been the victims of a steep decline in the rates of profit and in some instances the total amount of profit as well. I.C.I. recently announced a fall in the amount of profit in the 3rd quarter of 1971 of £8 million. Farbenfabriken Bayer announced a decline in profits of over 25% for the first 9 months of this year. Projects and profits this year are 50% below those of 1969. The Financial Times of 29th November reports of Germany....."almost all of the country's major firms indicate that this year the profit squeeze has reached unprecedented dimensions". These lamentations could be duplicated in practically all the main industrially advanced capitalist countries, big and small.

At the same time the capitalists and their hirelings in the Governments recognise the need to attack workers standards to restore profitability - consequently the prices and incomes policy in America, the exhortations of Heath, Barber and Davies to the working class to increase productivity, exhortations which are paralleled in every capitalist country. However, the myth put forward by these spokesmen of capitalism that it is the workers "who have priced themselves out of a job" by demanding a bigger share of the wealth they produce is debunked in the back pages of the Business Section of the Times which is not read by the working class. The Financial Times debunks the optimism expressed by Barber and Heath in a 4½% rate of growth in the remaining months of this year and next year. Despite all the measures of the Tory Government, in the field of taxation, to restore profitability to the capitalists, they are demanding more. "A key question which has still to be answered satisfactorily and which must have been uppermost in the minds of the majority of Mr. Barber's 5,000 strong audience (at the Institute of Directors) is whether his forecast also marks the end of the long post-war decline in company profits. There has been growth talk more than once before now; and there have been short, sharp bursts of economic expansion. But at the end of it all the underlying downward trend of profits has reasserted itself.....(profit) margins have been steadily squeezed since the early 1950's when they remained comfortably over 30% of total company product, as measured by the National Income and Expenditure accounts. By 1960 they had drifted down to 28%...a level not seen since...declining to 21.5% in 1970." Hence the hysterical tears and the jeremiads of the press and the Government.

Mr. Ernest Barrett president of the Engineering Industries Association in a speech to the Association in Leeds as reported in the Times of 13.11.1971 pointed out "Since 1964 industry has been the whipping boy of the Government. Time and again management

has been castigated and urged to adopt American techniques. Slowly management has responded, with the consequence that it is now in the process of bequeathing to the nation the American legacy...a much larger pool of permanently unemployed. The truth is we no longer need the same work force.

Mr. Barrett said that productivity deals had led to more economical manning of machines. Men were being shed at every opportunity."

Thus the reward for increasing productivity for the working class is to be cast onto the "stones." The same phony argument has been used in regard to inflation. But it is the increase in world food prices and the prices of raw materials which have sent up the prices in the shops, apart from the fictitious capital involved in armaments and the surplus American dollars circulating round the world. It is wages which have followed prices and not vice versa. Moreover the same problem of inflation is affecting every capitalist country in the world. Even in Germany and America which had low rates of inflation, this has now increased to about 6% respectively. Though Britain among the developed countries has one of the highest rates of inflation .

All the propaganda in the world will not have any effect on the workers when it flies in the face of the facts. Hence the anger of the workers and their resistance to the measures of the employers and their Government. All these measures can be expected from the capitalist Government. But the active workers are assimilating the experience of the Tory Government and many remember and have assimilated the experience of the last Labour Government which operated on Tory terms. However the leaders of the Labour Movement seem to have learned nothing from this experience.

## Economic Witch-Doctors

Roy Jenkins, the leader of the Right Wing in the Parliamentary Labour Party in an interview with "Money Management" defends the policies he initiated as Chancellor in the last Labour Government "The level of home consumption in 1967-68 made it necessary that I should budget for a fall in home consumption of a half of 1% and in fact I got a rise of 1%. The result in 1969 was fairly close to my Budget forecast. By 1970 the position was reversed...Looking back I believe we were aiming at a virtually impossible result.... an actual reduction of consumption in peace-time and our achievement at that time was probably about as good as it could have been, bearing everything in mind.

"There wasn't any conflict between us and the I.M.F....But I must say that the I.M.F. did usefully contribute this analytical tool; looking at DCE (Domestic Credit Expansion) on a quarter to quarter basis. ....But I can recall no occasion when the I.M.F. attempted to interfere in our Budgeting or public expenditure decisions....or when I put forward any which I would not have done had the I.M.F. not existed. ....After the experience from 1963 onwards we had to show we could pay our way in the world...."

As a smug justification of the attacks on the workers standards and the cringing to the ruling class it would be difficult to better. The "We" lumps together the workers and the capitalists. The "We" in reality is the capitalist class and the elegant class society of which Jenkins considers himself a member.

Meanwhile, while Jenkins as a middle class representative of capitalism within the ranks of the Labour Movement still has illusions in Keynesianism and the other tools of economic quackery of capitalism, the more "realistic" representatives of capitalism have a different attitude. In an article in the Financial Times of November 9th it declares querulously "If it is not possible to believe in Mr. Anthony Barber's forthcoming boom then it must be impossible to believe in anything. For all the old rules indicate that the boom should now be on its way....Yet it is also obvious that a great many people do not find themselves possessed of the necessary faith and that nobody really knows why....Mr. Barber has cut taxation by a greater amount than any of his predecessors, and he has removed the former restraints on hire purchase. Everyone knows that, short of an unlikely political catastrophe, Britain will soon be a member of the European communities.

With all this and the Industrial Relations Bill too, it might be thought that people would once again begin to have faith in the essential stability of British society; that

the work ethic would reassert itself and that renewed growth, accompanied by diminishing unemployment and an increasingly sensible rate of wage increase, would become normal features of economic life.

IF THINGS WERE WORKING IN THE WAY THEY ONCE DID, PEOPLE WOULD BE SPENDING EVEN MORE THAN THEY ARE; BUSINESSES WOULD BE INVESTING MORE; DISRUPTIVE INCIDENTS WOULD BE LESS COMMON. THE NATION WOULD BE GIRDING ITS LOINS, READY FOR THE GREAT EUROPEAN ADVENTURE. ....Savings are still high....it is more realistically regarded as the product of a widespread fear of unemployment....most people still believe that inflation has not yet been beaten.

This lack of faith in the orthodox economic policies now being implemented by the Government is hardly surprising coming as it does after a period of years during which none of the normal prescriptions put out by the economic witch doctors who once held Western society in thrall seem to have worked.

They cannot seem to get anything right these days. The last couple of years have been ones in which high rates of unemployment, on both sides of the Atlantic, have been accompanied by high rates of wage - and hence price - inflation. In Washington, at the recent meeting of the IMF, there was a general sense of euphoria, for it was believed that the monetary crisis was all over, bar the shouting..that economists' reason had prevailed.

Of course it had not, and the crisis is still with us....nobody truly understands what it is that makes today's societies behave as they do. It may be that the right answers are not available, but this cannot be known until an attempt to find them has been made.

That is why social science and particularly social psychology is so important.

Social scientists of all kinds have already made as many mistakes as their elder brothers, the economists, and there is no denying that a great quantity of nonsense is produced by many of the students of modern society.....

That said, it remains true that modern society, which many people believe to be in a state of increasingly rapid disintegration, is in need of serious study, by people trained to do the job...."

Having become disillusioned in the rightly named economic witch doctors, this gentleman wants to find a solution to the problems of capitalist society in putting faith in the sociological witch doctors. We have quoted extensively to demonstrate the complete bankruptcy of the representatives of capitalism. Marxists have long ago given an explanation both of capitalist society and the laws of motion of the capitalist economy. What dictates the calculations of the entrepreneurs is the search for increased profits. If the author had taken a glance at the business pages of the Financial Times he would have been supplied with the answers as to the motives of the capitalists. As to the motives of the workers the resistance of the working class to the impositions of the Government including the Industrial Relations Act is a sufficient indication. The struggle in society is the struggle over the division of the surplus-value extracted from the labour of the working class. The hirelings of capital stand in the middle, while humbly serving Capital.

## Labour Right Has Learned Nothing

The disintegration of Capitalist society in the citadels of capital are only an indication that the post-war economic upswing is coming to an end. Hence the dread and fears of the ruling class at the coming storm of class struggle which it will provoke.

However, while the bourgeois savants are worried and shaken, the Right Wing of the Labour Movement has learned nothing, and the Left Wing has learned all the wrong lessons. The NEC statement at the last Labour Party Conference - "Labour's foremost economic priority is therefore very clear: we must be prepared as a Government to bring into productive employment all of the nation's workers, other than those involved in job changing and retraining - and to deliberately forego (their emphasis) deflation as the prime weapon for dealing with the problem of inflation and the balance of payments....." to deal with this problem they say "First the use of direct controls to curb or prevent

any further rise in imports; second attempts to obtain favourable changes elsewhere in the Balance of Payments, such as in capital flows; or third, to act directly to improve the competitiveness and profitability of our exports by changing the exchange values of the pound"....after arguing that "Import Controls would not be a practicable proposition should we enter the EEC", thus cancelling the previous argument (itself fallacious as import controls would provoke measures in similar vein among Britain's rivals and markets) and arguing that "Britain" i.e. British capitalism...cannot assume.....'we' could hold back the increase in our costs to significantly below that recorded by our competitors.....We must be prepared, whenever necessary to make an orderly re-alignment to our exchange rate - at least whenever the alternative is a policy of massive deflation and stagnation."

"This approach would (their emphasis) at last, enable us to plan ahead..." however, "Room would still have to be made in the economy, for example, for the additional exports and for some import substitution, and this could involve a measure of temporary restraint on consumer spending."

The failure of the deflationary measures and the squeeze on consumer i.e. working class standards led to devaluation. But devaluation is an indirect cut in real wages and must inevitably despite all "controls" lead to an increase in prices. Prices in Britain in the last few years have risen faster than in other developed and capitalist economies, precisely because of the devaluation in 1967. The policies of the N.E.C. are the policies of Jenkins as quoted above. They will not satisfy the workers as the measures of Jenkins aroused fierce opposition.

## World Capitalists Nonplussed

So far as the working class is concerned the choice between inflation and deflation is the choice between death by fire or death by drowning. The so-called "Left" in the Trade Unions and in the Labour Party has adopted a policy which will make certain that the next Labour Government will be a Government of crisis.

They still, like the Right Wing, have the impossible and reactionary dream of running capitalism better than the capitalists. Successive devaluations will merely debilitate the economy. Inflation, or devaluation plus "temporary" attacks on the workers living standards, will rouse even more indignation and unrest among the workers. It would undermine the "confidence" of the capitalist class and far from promoting growth promote further inflation and devaluation. As the example of Latin American countries demonstrates devaluation of the currency is like taking opium which demands bigger and bigger doses each time to have any effect.

Trotsky once said that "Inflation is the syphilis of a planned economy." He might have added that inflation is the syphilis of an unplanned, i.e. capitalist economy. At a time when the capitalist regimes are at their wits end in face of the economic impasse which they face the failures of all the "witch doctor" formulas to "manage", "guide", or "steer" the economy, to use yesterdays discarded doctorings of the capitalists, is a pitiful demonstration of bankruptcy in face of the formidable problems facing the next Labour Government.

Nothing is left of the programme of the Right Wing of the "affluent society", of the "managed capitalism" of Strachey and Crosland of less than a decade ago. The Left Wing too succumbed to these illusions, even now they have not abandoned them even though the present Tory Cabinet have to confess themselves as nonplussed by the behaviour of the economy. Unemployment near the million in official figures, inflation at 8% again according to official figures and investment dropping. This, despite the "Keynesian" measures introduced by the government.

The French and German deadlock as to what should be the reply of the European Powers to the American action is another symptom of perplexity and fear for the future. Italian capitalism is in the throes of turmoil. The lesser powers like Sweden and the Netherlands are in difficulties.

This first world-wide economic recession of capitalism hits even harder at the semi-colonial or ex-colonial countries still under the thrall of the economic power of the

metropolitan countries. They also feel the crushing burden of the actual fall in the prices of primary commodities, metals and other raw materials, or the failure to match the increase in the prices of industrial goods, with which they are faced. Times of economic downswing bear more harshly on the frail economies of the underdeveloped countries.

The cloudy "Marxists" of the sects, yesterday saw only the stability of capitalism and the "armament economy" as a measure of stability of capitalism in the West; or, in the case of one sect, saw in the measures of "the State" a long term stability of advancing capitalism. No doubt like yet another sect, they will be now howling about "the last crisis of capitalism."

Due to the political pre-conditions in the reformist policy of the C.P.'s in the West and the reformist policy of the Socialist Parties, capitalism will weather this first post-World War II recession.

But it is an omen of the future. By the working of capitalist economic laws, probably also when they see the abyss yawning before them, the American and World Imperialists will reach a compromise on the World Monetary crisis. This in its turn will provide an impetus for a new world revival. But the conditions have changed since the early post-war period. As mentioned above the newer growth industries are now in the toils of the falling rates of profit which is hitting them harder as capital intensive industries, than the old industries. Europe and Japan now begin to challenge the United States. There is no room in the world for giant "economic miracles" like that of West Germany and Japan - not to speak of the lesser achievements of France, Italy and Sweden - consequently a new "boom" will not be long lasting. Within a few years, two, three or four, it is impossible to forecast exactly, there will be an even deeper collapse of productive forces and a serious slump in production.

## Transformation Of Labour Movement

This new epoch which is beginning, of ups and downs internationally of world economy will be entirely different to the episodic falls of the post-war epoch. It will be far more akin to the inter-war period.

In the intervening decades the power of the proletariat has grown enormously. The very process of economic upswing has increased the cohesion of the working class. The events in Italy and France, the re-awakening of the German workers, the strength of resistance of the workers in Britain are harbingers of the future.

The kaleidoscopic changes in the economy over the coming years will allow neither economic or political stability to the system. Hence the crisis of "confidence" so beloved of the paid Leader-Writers and politicians of capitalism. But a crisis of confidence of the ruling class is the first condition for socialist revolution. The restlessness of the middle class and its swinging to different solutions is the second. This is already appearing in Italy, France, even the United States. The world wide student movement of radicalism is an indication of this process.

The French workers in 1968, the Italian workers at the present time and the stubborn resistance of the British workers is an indication of the rising consciousness of the working class in the need to change society. This is the third condition. All these in elementary form at the present juncture, the anger and militancy of the working class will grow on the basis of events.

Meanwhile the sickness of Stalinist Society is reflected in the events in Czechoslovakia and Poland and the tortured manoeuvres of Brezhnev and Mao. On the world scene they look with anxiety at the gathering social crisis of capitalism in the West.

The way is being prepared for a revolutionary crisis in the pre-revolutionary political and economic impasse of the ruling class. The only tendency in the Labour Movement which can explain the process which is affecting world capitalism is that of the Militant. We alone on the basis of the tested analysis of Marx, Lenin and Trotsky have held firm in the face of capitalist pressures ideologically and economically. We are the only tendency in the Labour Movement with a correct perspective, socially, economically, politically.

The nature of the disease afflicting capitalism has been carefully diagnosed in our material. We represent the tendency of Marxism among the youth and the advanced elements of the Trade Unions and Labour Movement. Our tendency will encompass wider and wider sections of the Labour Movement in coming years.

The shadow of importance of the next Labour Government has been shown in the crisis over the EEC vote in the Parliamentary Labour Party. 89 M.P.'s voted to maintain a Conservative Government, 140 voted for Jenkins as Deputy Leader. That is a vote for capitalism and capitalist policies. It is an indication of which direction those M.P.'s will take in the crisis which will face the Labour Government. The next Labour Government will be faced with dramatically opposed and overwhelming pressures, that of big business and that of the working class.

The Parliamentary Party is an expression of the situation of the past post-war period. Jenkins' following, like that of Gaitskell, is composed of Company Directors, Barristers, Lawyers and Professional people. They have not got even an elementary consciousness of socialism but are in reality Conservatives in all but name or, at best, Liberal Democrats. They will succumb to the pressure of big business. Under these conditions the Labour Party as in 1931 will face a split, consequently the pious and sentimental attitudes of the Tribunites, fulminating against these people, but maintaining their right to their opinions, has no element of class consciousness or of perspective of the future in it.

This crisis demonstrates the need to refurbish the parliamentary party. The constituencies must have the right to re-select their candidates for parliament where the sitting member votes against decisions of the party conference. The N.E.C. must accept this. Workers from the Unions, from the Branch and factory floor must be selected to represent their class in parliament.

Events of the last two and a half decades indicate the enormous change that is beginning to take place in the Labour Movement. It is transformed, hardened and re-transformed in the great events that impend today. We are just at the beginning of the process. The Marxists in the movement look with confidence to the role they can play in this transformation. In fighting for it, they can turn the Marxist tendency from a tiny component into a powerful part of the Labour Movement ●



# Which way for American Blacks ?

By PETER TAAFFE



The assassination of George Jackson in San Quentin prison in August to be followed three weeks later with the brutal massacre of predominantly black prisoners at Attica Prison, New York, have aroused the anger of the World Labour Movement at the horrifying conditions in American prisons. These events have given just a glimpse of the monstrous repressive apparatus which is employed by the American ruling class in an attempt to crush the emerging militant leadership of black people in the USA. At the same time they have served to illuminate the terrible social situation of black people in American society. But above all they have demonstrated the invincible spirit of resistance which has built up in a powerful mass movement to end once and for all the legacy of black slavery which still scars American society.

This in turn has prompted a tremendous ideological ferment, both amongst the black workers themselves and the ranks of the socialist and Marxist currents in America. Which way for the black people of the USA? Towards an alliance with the white working class or in a separatist direction? How important is the prison movement in this struggle? Can the white working class ever be detached from their allegiance to the Democratic and Republican parties? What role for the black working class in the struggle for a socialist America? These are some of the issues around which the debate is raging. Even some of those tendencies, which claim to adhere to the ideas of Leon Trotsky, have displayed the greatest confusion in relation to the likely perspectives for the struggle of the black masses and in particular Trotsky's writings on the issue.

One of the most striking developments of the post-war epoch has been the heightened struggle of the black working class of America. Trotsky had predicted in the 1930's that the colonial revolution was bound to exert an enormous influence on the black population in the USA, evoke their sympathy and at the same time act as a spur to their own movements for liberation from racial and class oppression.

So it proved to be. It was no accident that the National Association for the Advancement of Coloured People (NAACP) developed as a powerful mass movement, with half million membership at its height, precisely at a time when the colonial revolution began to unfold, particularly in Africa.

From 1954 up till 1963 the movement revolved primarily around the issue of "civil rights" and against the lynch law which predominated in the South. Even at that stage the black working class connected the struggle for "civil rights" with the fight against unemployment, for better educational opportunities, housing etc. But these issues were pushed into the background by a whole panoply of middle class black leaders, from Martin Luther King of the NAACP to Whitney Young of the Urban League. Their orientation, through pacifist methods, was to exert pressure on the Democratic Party to grant full "civil rights".

However the postwar boom together with the mechanisation of Southern agriculture resulted in a rapid process of urbanisation for the black population and a mass exodus from the South to the cities of the North. The areas into which they moved developed into prison house ghettos; they faced rat infestation, endemic unemployment and indescribable slum and dilapidated housing conditions. A glimpse of the social conditions, which are the "norm" for a big section of the black population was given in an article in the London EVENING STANDARD... "(In Brownsville) Four out of every five families are on welfare...60% of the inhabitants are on heroin, some of them in a crouching stupor in the black carcasses of abandoned homes" (6.6.71.).

## Black Power

The accumulation of discontent at these conditions, particularly on the part of the youth, burst out after the beating of King in Birmingham in 1963. Television flashed out the thuggery of the Southern police and their dogs across the country. Riots followed the next day. The uprising in the black ghetto of Watts, in Los Angeles, followed in 1965 and a series of upheavals shook practically every one of the major cities of the US in the next three years. Some of the "Marxist" sects pictured them as a conscious step forward by the oppressed. On the contrary these upheavals reflected the blind despair on the black workers at the social conditions in the ghettos.

And when as a result of these upheavals the inchoate and confused demand for "Black Power" arose and was projected as the main goal of the blacks by a number of leaders such as Stokely Carmichael and Floyd McClissick, and eventually even Martin Luther King himself, this was uncritically supported by these same tendencies.

The black power movement undoubtedly represented a step forward in a number of senses; the break from King's pacifist and knightly courtesy, demands for a break from the Democratic Party, the idea that black people should defend themselves, with arms if necessary, from the white racists etc. At the same time its separatist overtones, its lack of a clear class programme, its nebulous concepts, which allowed every black opportunist politician to embrace it (e.g. Clayton Powell Congressman for Harlem), and not the least the possibility of it being used to entrench racial divisions all warranted criticism from the Marxists. The Marxist tendency around MILITANT approached the movement in a friendly manner while criticising the deficiencies of the leadership and their programme.

The mistakes of those tendencies who uncritically supported the Black Power movement were rooted in a misinterpretation both of American working class history and particularly Trotsky's writings on the question of black nationalism. They have attempted to show that black people have, in the main, had an underlying "nationalist" and separatist orientation.

It is true that the tendency towards a separatist movement has been manifested on a number of occasions in American history. Thus the Marcus Garvey "Go Back to Africa" movement developed in the aftermath of the First World War. The Movement for the 49th State took shape between 1929-1934. But equally powerful movements of black and white struggling together have developed. Black Southern Tenant Sharecroppers, 1¼ million strong, played the part of the extreme Left Wing in the Populist Movement towards the end of the nineteenth century. During the CIO upsurge the black workers were an important component part of the American working class. To this day they represent a big percentage of the workers in steel, autos and other industries. Whenever a "nationalist" movement has developed it has always represented a symptom of a growing crisis which has eventually touched the white working class as well. Once the white working class began to move then the tendency has been for the black workers to merge their struggle with the working class as a whole.

## Lenin and Trotsky on the National Question

In his discussions with his followers in the 1930's Trotsky drew on the rich theoretical heritage of Bolshevism on the national question. Lenin's teachings on the national question were of decisive importance for the success of the Bolshevik Party, before, during and after the October Revolution. Against Rosa Luxemburg and her supporters Lenin fought a relentless theoretical struggle in defence of Paragraph 9 of the Bolshevik programme which upheld the right of self determination for oppressed nationalities. It was impossible, asserted Lenin, to win the confidence of the oppressed nationalities without proclaiming this right. Socialism could not be built with the slightest hint of compulsion of oppressed nationalities. Inseparable from this demand was the right of state secession:

".....settlement of the question of political self determination i.e. their state secession" (LENIN's "Critical Remarks on the National Question."P.12).

Lenin and the Bolsheviks consistently rejected the idea of "extra territorial" nationality. The objective basis of the nation rested in the final analysis in the practical possibility of it being realised in a territorial sense.

But the defence of the right of self determination did not mean that the Bolshevik Party became the evangel of separation. At the same time as proclaiming the right, not the duty, of an oppressed nationality to separate from the oppressing nation it also conducted a struggle for the union of nations, or states, in a Socialist Federation.

Lenin particularly fought against any taint of nationalism within the workers movement:

"In contrast to the bickering among the different national bourgeois parties over questions of language etc., workers democracy puts forward the demand for absolute unity, complete amalgamation in all workers' organisations, trade unions, co-operatives, consumers, educational and every other to counter bourgeois nationalism of every kind" (ibid P.13)

Part of this fight against the influence of bourgeois nationalism in the Russian worker's movement was that which Lenin waged against the BUND, the Jewish workers' organisation, and their programme of so-called "cultural autonomy". This had been borrowed by the BUND from the programme of the opportunist Austrian Social Democracy. Adapting themselves to their own dominant national bourgeoisie the theoreticians of the Austrian Party opposed the slogan of the right of self determination. They advanced instead the slogan of "cultural autonomy", the grouping of dispersed "nationalities" around their so-called "common culture", the schools the church, the theatre etc. Trotsky commented:

"...that programme was artificial and utopian in so far as it attempted to separate culture from territory and economy in a society torn by social contradictions" (STALIN P.228).

Its net result would be to split up and divide the proletariat. The schools have always been a means of poisoning the minds of working class youth, soaking them in the 'culture' of the ruling class, religion, distortions of history etc.

Trotsky in his discussions on perspectives for the American black people was at pains to correct his followers' one sided approach towards the possibility of a movement for self

determination and a separate black state in the USA arising at a certain stage. His American followers had opposed this demand when it was put forward by the American "Communist" Party. They counterposed to it the struggle for equal rights, black and white unity etc. To begin with the C.P. had put forward this demand for the black population of the whole of the USA. They subsequently changed this to apply to the South alone. Trotsky's position was to caution against dismissing the possibility of this demand gaining widespread support under certain conditions. It could not be discounted, he said, that at a certain stage, particularly with the development of a big fascist movement whose main target would be the blacks, the demand for a separate state might then arise. The C.P. were wrong to advance the slogan without it first being put forward by the black population. It could be interpreted on their part as a desire for the white population to get rid of them, as an attempt to reinforce segregation etc. But the possibility of such a movement could not be dismissed out of hand.

## Conditions Change

Since then Trotsky has been accused on the one side of being somewhat "confused" on the issue. On the other hand, some "Marxists" have taken Trotsky's statements and applied them in a completely mechanical fashion. Trotsky's method of analysis was entirely valid. But there is an entirely changed situation so far as the black population is concerned between the 1930's and the present period. As late as 1940 three quarters of the black population were concentrated in the South. Moreover in at least two states, Mississippi and Alabama, there were a majority of blacks. If a movement for self determination were to arise it would have assumed definite shape in these areas, where it could be objectively realised. Even at that stage Trotsky was careful to add:

"The Negroes are a race:- nations grow out of the racial material under definite conditions" (ON BLACK NATIONALISM).

An indentivity with Africa undoubtedly exists, particularly amongst the politically conscious sections of black students and workers. They look towards and support the struggles of the African masses in the same way as Irish workers in Britain and America (sometimes when they are second and third generation "Irishmen") indentify with the struggle in Ireland. But this in itself is not sufficient to characterise them as a nation. The social situation of the black population is increasingly that of the working class as a whole. A common territory, the vital attribute of any nation, no longer exists.

Theoretically it cannot be ruled out that in the future the black population might express a desire for a separate state. While fighting the BUND's demands for the Jews (Lenin characterised them as an oppressed caste) Lenin at the same time pointed out:

"It is beyond doubt that in order to abolish all national oppresion it is extremely important to create autonomous areas even of the smallest dimensions, each with an integral uniform national composition of population, towards which the members of the given nationality scattered in different parts of the country, or even of the world could "gravitate", and with which they could enter into relations and free associations of every kind" ("Critical Remarks on the National Question" P.61).

Both Trotsky and Lenin even considered giving the anarchists a small portion of Russia for them to practically test out their utopian theories, but the civil war following the Revolution prevented this being carried out. Also Trotsky while ruthlessly combating the BUND's and the ZIONIST's plans for separating the Jewish proletariat from the working class as a whole at the same time pointed out that a World Socialist Federation:

".....will have unimaginable resources in all domains. Human history has witnessed the epoch of great migrations on the basis of barbarism. Socialism will open up the possibility of great migrations on the basis of the most developed techniques and culture. It goes without saying that what is involved here is not compulsory displacements, that is, the creation of new ghettos for certain nationalities or parts of nationalities, but displacements freely concented to" ("On the Jewish Question" P.20).

Thus a victorious World proletariat would undoubtedly be prepared to concede a separate state to the American blacks, somewhere on the globe, if they so desired. However, any tendency in that direction would in all probability be manifested in a movement back to a

Socialist Africa. But such would be the degree of class solidarity between black, brown and white workers in America necessary to achieve a Socialist America that it is highly unlikely that separatist sentiments on a large scale would take root amongst the black population.

At the present time with the migration of the black population to the North together with their increasing proletarianisation, even in the South, the movement in the direction of a separate state and a corresponding "national" consciousness, in a Marxist sense, has been undermined. Now a majority of black people are concentrated in the North and in 1966 over sixty five per cent lived in the urban areas. In some cities such as Newark and Washington they are in a majority. The problems of the black workers are the problems of the working class as a whole, only in a far more acute form. They form a specially oppressed substratum of the proletariat.

The idea that the ghettos of Harlem, Detroit and Los Angeles could separate themselves from the rest of American society is as ludicrous as it is reactionary. But this is the logical conclusion of the demand of "self-determination" as applied to this issue.

Self-determination includes the right of secession as demonstrated above. It would be greeted with the same scorn with which Lenin castigated the idea that Jews in Petrograd, Kiev, Moscow etc. would have been able to secede from the rest of Russia. The Leninist concept of the right of self-determination applies to nations not groups, scattered nations, races or individuals. Yet the quasi Marxist groups in America insisted on the "nationalist" sentiments of the black people precisely at a time when a section of the black youth from 1966 onwards began to grope towards a class position through the Black Panther Party. The Panthers totally rejected the "cultural nationalists", and stressed the unity of interests of black and white fighting together....."the very small cults that sprout up every now and then in the black community have a basically black racist philosophy". (Bobby Seale "Seize the Time").

The literature emanating from this movement, despite its muddled programme, stands as a crushing indictment of those "Marxist" tendencies who have clung to a "nationalist" perspective for black people.

The Black Panther Party developed in response to the monstrous conditions which prevail in the ghettos and in particular the brutality which the youth suffer from at the hands of the police. In one month in Chicago 80 black people were shot and killed by police! The bigger percentage of supporters of the Panthers have been drawn from the lumpen proletariat. These pariahs of capitalist society have been "re-habilitated" not through the prison programme, correctly described by the prisoners in revolt at Folsom jail California as "relative to the ancient stupidity of pouring water on a drowning man", but by the ideas of Socialism, Marxism and class solidarity. The example of the Panthers have found a wide echo in the first instance amongst the black prison population. A whole section of black youth have been propelled towards revolutionary politics because of the daily murders, tear gassing and searing racism of the mainly white prison guards and because of the general black upsurge in America. Trotsky once commented that the Tsarist prisons were the "universities of the revolution"; a similar situation now obtains in US prisons certainly so far as a section of black youth are concerned. Thus the heroic George Jackson, given a one year to life prison sentence at the age of 18 for a 70 dollar robbery, remarks in his "Prison Letters":

"....I met Marx, Lenin, Trotsky, Engels and Mao when I entered the prison and they redeemed me...With the time and incentive that these brothers have to read, study, think, you will find no class or category more desperate or more dedicated to the ultimate remedy, revolution."

But one of the weaknesses of the Panthers has been its almost total reliance on drawing its forces from the lumpen proletariat. It is true that this section is capable of the most heroic deeds and sacrifice but only if it is allied to a party which has sunk deep roots amongst the working class and has built up a base amongst the proletariat proper. The lack of a sound basis amongst the working class is one factor resulting in the rapid turnover in membership, the violent upheavals, the schisms and the authoritarian internal regime which have characterised the Panthers from its inception. Added to this has been their theoretical confusion as to the present stage of development in American society, and the lack of a programme to mobilise black and white together. In the past, in common

with some of the white ultra left, mainly student groups, they have characterised America as "fascist".

This arose, on the one side, because of a misunderstanding as to the nature of fascism, on the other because of the vicious police persecution to which they have been subjected. Up to date there have occurred over 1,000 arrests and nineteen murders of the Black Panthers by the armed thugs of the American ruling class. Allied to this has been the savage sentences and brutal conditions in the prisons so graphically detailed by George Jackson and in Angela Davis' book "If they come in the morning".

But the false description of America as "fascist" has prompted the Eldridge Cleaver wing of the Black Panthers in despair to take the road of terrorism along with groups such as the "Weathermen". There has been no clear refutation of their position by their opponents. Even Angela Davis and her co-thinkers from the American "Communist" Party believe that America is in a "pre-fascist stage". This is brought out by a number of contributions to her book. The leaders of the American CP along with their co-thinkers internationally have been incapable of explaining the causes and the conditions under which fascism can come to power. Angela Davis approvingly quotes Dimitrov at the Stalinist so-called International Congress in 1935....."Whoever does not fight the growth of fascism at these preparatory stages is not in a position to prevent victory of fascism etc..." This from a "leader" of an organisation which allowed the German proletariat to go down to defeat without a pane of glass being broken at a time when 3 million workers had arms and were ready to fight but were prevented from doing so by the Stalinist leaders of the German CP.

Fascism is only possible after a series of defeats of the workers' organisations. Only after the middle class has lost faith in the ability of the working class to change society will it turn to the fascists to be then used by them as a battering ram to smash the Trade Union and Labour Movement. Historical experience in Germany, Italy, Spain and other countries in the inter-war period attests to this.

In the period opening up, rather than a swing towards the Right the USA is more likely to experience a decisive shift towards the Left. As vicious as the blows against the Panthers and other organisations have undoubtedly been, they are not as harsh as the repression against the black people and the Labour Movement in the past. Thus in the 1930's the hirelings of the American capitalists murdered over 100 working men and women. The student upheavals together with the widespread demoralisation in the American Army in Vietnam and the general collapse in the confidence of the ruling class to rule are the symptoms of an impending radicalisation of American society. This demoralisation has reached the very pinnacle of the Army; one general has compared the American army to Tsarist armies in 1917 just prior to the Russian Revolution and the German military machine just before the German Revolution in 1918!

The Huey Newton wing of the Panthers on the other hand began to sense the mistakes contained in their earlier position. But this has prompted them to opportunistically adapt themselves to the Church, in the manner of the NAACP, to engage in charity activity and to tone down their original programme which stressed the class issues. The Panthers are bound to face a decline unless they work out a clear Marxist programme. But their evolution in a class direction in the last five years is a harbinger of how the black working class as a whole will move in the future. And part of the responsibility for them arriving at their present position must lie with those Marxist tendencies who have taken up a position to the right of the Black Panthers. Thus the Socialist Workers Party, which claims to follow the teachings of Leon Trotsky, attacked the Black Panthers because of the latter's attacks on the "cultural nationalists" and their racist propaganda.....

"....The concept that it is possible for black people to be racists is one which the nationalist movement has had to fight ever since the first awakening of black consciousness" (The American Militant 15.8.70.).

The only conclusion to be drawn is that it is impossible for black people in general to display a racist outlook! How then to explain Stokely Carmichael's disgraceful and practical demonstration of "black racism" in British Guyana? He was invited into the country to address the students at Georgetown University. Under questioning he specifically excluded the Guyanese workers of Indian descent from his concept of "Black Power"

He thus amply served the Burnham Government in its policy of reinforcing divisions between the Indian and black workers to the benefit of American and British Imperialism. The road to hell is paved with good intentions but the SWP by their unequivocal and uncritical support of first of all the "black power" movement and now the "cultural nationalists" assists in the aim of perpetuating racial differences amongst the working class.

These same "cultural nationalists" have played a pernicious role in maintaining these differences. In their intervention in a number of New York teachers' struggles the SWP have discarded bag and baggage the teachings of Marxism. One glaring example was the dispute over "community control" of education in the Ocean Brownsville area of New York in 1968.

## Ocean-Brownsville School Dispute

The SWP found themselves during this dispute in concert with every stripe of black nationalist, Rap Brown, Floyd McClissick and Lindsay together with the capitalist news media in fighting the teacher's union.

The appointment of a black administrator, as a step towards "community control", on a salary of 30,000 dollars a year, with money provided by the Ford Foundation, led to the white teachers being sacked. These were the Union representatives in the locality. When the rest of the teachers walked out, they were transferred and the teachers' union called a strike. Black teachers were brought in as replacements and this act of strikebreaking was supported by the SWP in its coverage of the strike!

During the course of the dispute Fred Halstead, the SWP's Presidential candidate, in a reply to a letter, openly confessed to blacklegging.....

"You are right that I voted with other parents to open PS.33, the school which my ten year old daughter attends. I did this because I believe that the present teachers' strike in New York is a reactionary strike directed against the blacks and Puerto Rican communities." (Militant 1.11.68.).

The writer of the letter demanded to know.....

"As a socialist, a worker, a union member, how do you explain a vote against another union which is now on strike?.....This is to inform you that this action on your part lost you my vote in November, as well as votes of others like me, who were considering voting for you as a protest against the candidates of the two, or is it three now, major parties." (ibid.)

The SWP's whole position flew in the face of everything that Trotsky ever said on the issue of elementary class solidarity during a strike struggle. Trotsky remarked once that even if a strike against the employment of black labour were to take place, while opposing it and fighting for black and white unity and a return to work, a revolutionary would still have to go on strike with the workers. To cross the class lines would mean the loss of any opportunity to influence those workers again. This cardinal principle of Marxism was broken by the SWP during this dispute.

The net result was to inflame racial passions both on the side of the black population and from the teachers themselves. Because the teachers came predominantly from Jewish backgrounds, the "nationalist" sects whipped up a wave of anti-semitism amongst the black population. The teachers' union bureaucracy, on the other hand, had done nothing to involve the teachers with the black workers in a struggle to combat the worsening educational position or the monstrous social conditions in the ghettos. An attitude of haughtiness and contempt towards the black population, and the terrible squalor surrounding them, undoubtedly exists amongst a section of white teachers. But these attitudes were only hardened by the racial overtones displayed towards them and their union, by the black nationalists. Instead of a struggle against Lindsay, the Mayor of New York, Rockefeller, the Governor of the State and their supporters, and the whole rotten capitalist system, vicious infighting between the working class opened up. The "racism" of the black nationalists has in turn been one of the contributory factors in the organisation of the racist "Defence" organisations amongst the Jewish population e.g. Kahn's reactionary "Jewish Defence League".

# Foreshadowing of Big Class Battles

The fundamental error of these "Marxists" is their incapacity to understand that the heroic, magnificent and powerful movement of the American black population stems from the same causes which will guarantee a similar movement of the white working class at a later stage. It has been primarily the class issues which have acted as the impulse for their movement in the last twenty years. Even at the height of the boom unemployment was a way of life for a whole section of black workers. In 1948 unemployment among "non-white" teenagers was 7.6%. In 1965 the percentage of unemployed had increased to 22.6% in the same age group. In June 1971 the unemployment rate for this same group was 33%. But it is no longer the scourge of the black population alone; the overall unemployment rate for teenagers is 17.6%. There are 5¼ million unemployed, 6.2% of the labour force, at the present time. The net result has been to spark off demands within the unions for action to combat the rise in the jobless rate as there has been in Britain. The Automobile workers have come out for a campaign and Conferences have been held with plans for unemployed marches on Washington.

They have inundated Leonard Woodcock and the other AWU leaders with demands for a national strike in opposition to Nixon's "freeze and squeeze". Even George Meaney, the arch conservative chief of the American Federation of Labour has been forced to respond to the calls from ranks of the unions for action, some demanding a General Strike, in opposition to the Government's measures.

At the same time it is revealed in the capitalist press just how much has been demanded of the American working class in order to achieve their much vaunted "prosperity". Time magazine recently revealed that there were over 14,000 fatal accidents in American factories in 1969, more Americans killed than in Vietnam! Even the highest paid workers have paid for their increase in living standards with sweat and not a little blood. And now they find this being eaten away by the worst inflation since the Korean war. More and more the workers are demanding action from the union tops...."the younger leadership is not satisfied. I don't understand what they really want, what it would take to satisfy them" (union official to Time magazine reporter 9.11.70.)

The privileged and formerly sheltered sections, the "professional" workers, white collar grades etc., have felt the icy blast of the slowing down of the US economy. A Government report has shown that there was a 57% increase in unemployment amongst professional and technical workers in 1970. At the same time one section after another has taken to the road of industrial struggle in order to maintain their living standards in the face of the spiralling cost of living. A mighty explosion of the American working class is being prepared by these events. All the cobwebs of the last three decades will be blown away in the storms which are being prepared by the endemic crisis affecting the American economy. A break from both the Democratic and Republican parties by the unions towards a mass Labour Party is inevitable at a certain stage.

The first movement towards a Labour Party in Britain came in the latter part of the 19th century, when British Imperialism was no longer able to grant concessions to the upper strata of the working class.

US Imperialism has been the new colossus which has dominated the post-war world but at the cost of building into its foundations all the explosive material of world capitalism. The enormous burdens it has been forced to bear - the loss of over \$12,000 million a year in Vietnam being one example - has begun to undermine the possibility of maintaining the standards of its own working class.

The formation of the Alliance for Labour Action (which split away from the AFL/CIO in 1964) is an indication of how events will unfold. The main reason why it never developed into a decisive break from the two main capitalist parties is because of the temporary economic revival from 1964 to 1970. But the growing revolt within the ranks of the unions will force the union tops to move "Left". The Mid Term Congressional Elections saw a big section of workers registering their protest against the rise in unemployment in the votes recorded in the solid industrial areas against the Nixon Government.

Once the powerful American working class begins to awaken from its winter sleep then the movement of the black workers, the Chicanos, the Indians will dovetail with it. All the best traditions of the American proletariat will be rekindled by the shock of great events. The example of Eugene Debs, who got almost 1 million votes, standing for the Presidency in 1912, the titanic events surrounding the formation of the CIO, will be taken up and used by the American working class. The only difference will be that they will develop on a far wider scale than in the past.

An enormously favourable situation is opening up for Marxism in the USA but one which can only be fully utilised on the basis of a clear understanding of the processes taking place and a programme which meets the needs of the working class.

The black working class is destined to play a key role in the future of America. They are oppressed both in a racial and class sense. All the indignities and the cruelties of a diseased capitalist society bears down on them with special intensity. The tenacity, courage and tremendous spirit of self-sacrifice which has characterised the supporters of the Black Panthers, George Jackson and thousands of other black workers will be a gigantic plus for the American Revolution. From their ranks will come some of the best fighters and champions of Marxism in the USA. They will fulfil an important role as one of the best detachments of the working class. And their present struggles are only a dress rehearsal for mighty explosions in the future. Part of the process of furthering the struggle for a socialist America is to counter those false theories which endeavour to direct the energies of black workers towards fruitless and the largely mythical "nationalist" struggle instead of struggle in common with their white brown, red and Chicano brothers as a step towards the achievement of their own liberation.





# CURRENCY CRISIS

## Omen of Capitalism's collapse

By BOB McKEE

The events of the last few weeks have thrown the institutions of international finance capitalism into panic and confusion. The mighty American dollar, the mainstay of the 'free world' since 1918, has received a terrific blow in the midriff. This blow has come not from 'subversives' in some obscure colonial peasant nation, or from the Weathermen in New York, but basically from a group of eminently respectable bankers and industrialists in France, West Germany, and in the USA itself. And the reason is simple: They no longer believe that the dollar can confidently be used in world markets to bring them the profits they are looking for: German marks, Japanese yen or gold bullion seem much more attractive articles to hold and use.

Why were Nixon and the US imperialists forced first to introduce a 10% surcharge on foreign imports, stop the convertability of dollars into gold and then to devalue the dollar outright? Was it really in the "interests of the American people and world stability"?

To find the answer we must look more closely at the history of US and world capitalism since the second world war.

### Immediate Post-War Period

In 1944 at Bretton Woods, USA, the world capitalist powers met to reorganise the international trade and payments system. There were two overriding features of the agreement reached there. Firstly, that all countries would end the gold-exchange standard. That meant that no longer would countries settle their debts in gold bullion alone, but they could also use paper currencies in payment viz. the dollar and to a lesser extent the pound sterling as international reserve currencies. Secondly, the overwhelming supremacy - military, political and economic - of US capitalism was formally acknowledged. The tremendous power of the US capitalist class was demonstrated in the fact that in 1945 they produced well over half the total production of the world! (see other economic indicators below)

This vast economic and military power in the hands of US capitalism was the only weapon left for developing political power in Europe and preserving the weak and battered capitalist regimes of France, Italy, Germany, Austria, etc., from the growing threat of the new world force of Stalinism, as presented by Russia in the East. It also made the dollar in the eyes of starving Europe as good as gold. British and European capitalism was supported by a spine of greenbacks. If European industry was to recover it needed a vast reinvestment programme and US capitalism needed a strong European market for its commodities - and so the dollars flowed. The dollars flowed to finance the massive Marshall aid programme and to build NATO and US bases to defend 'free Europe'. The large surplus of trade and payments of the US capitalists financed the revival of European capitalism and allowed the US to act as the world's policeman for capitalism against 'Communist subversion' throughout the globe.

The last twenty five years have seen the success of these objectives of US policy. European industry recovered and thrived on US investment, while they were protected by the US marines. The political stability in Europe allowed a new upsurge in the world division of labour. New industries and techniques were developed, and world trade expanded to encompass every area of the capitalist world. These new markets in turn provided an incentive for a new lease of capital accumulation for world capitalism (See World Perspectives, published by University of Sussex Socialist Club, 1968)

## The Relative Decline of US Imperialism

Yet while the economic superiority of the United States remains in absolute terms, the last quarter century has seen a decline relative to the growth of other capitalist nations.

This relative decline is reflected in the following important sectors of modern industry.

### % Share of Total World Production

|         | Steel |      | Moter Veh. |      | Electric Power |      | TV Sets |      |
|---------|-------|------|------------|------|----------------|------|---------|------|
|         | 1953  | 1968 | 1953       | 1968 | 1953           | 1968 | 1953    | 1968 |
| USA     | 43    | 23   | 73         | 41   | 41             | 34   | 76      | 26   |
| UK      | 8     | 5    | 7          | 9    | 6              | 5.5  | 13      | 5    |
| USSR    | 20    | 19   | .9         | 1    | 11             | 15   | 1       | 15   |
| Japan   | 3.5   | 13   | -          | 10   | 4              | 6.5  | -       | 24   |
| Germany | 9     | 8    | 5          | 13   | 4.5            | 5    | .3      | 7    |
| France  | 5     | 4    | 5          | 9    | 3              | 3    | .5      | 4    |
| Italy   | 1.5   | 3    | 2          | 8    | 2.5            | 3    | -       | 3    |

(From UN Yearbook 1969 in raw form)

Between 1953-65, Japan's real Gross National Product grew at 8.3% p.a. while West Germany's rose by 4.9% p.a., USSR 4.3%, UK's by only 2.5% and the USA's by a miserable 1.7% p.a. Between 1963-70 labour productivity increased by 55% in France, 46% and 44% by West Germany and Italy respectively while the UK increased by only 30% and the US by as little as 21%! The failure in relative terms of US industry is reflected in the ratio of investment in fixed capital to GNP: only 17.9% p.a. between 1953-65 compared to Japan's 28.3% and Germany's 23.3% Only the UK ratio (15.7%) was lower amongst advanced capitalist nations. This relative decline is reflected in the competitive position of US capitalism in world markets for manufactured goods.

### % Shares of Man. Exports

|      | USA  | UK   | W.Germ. | France | Italy | Japan |
|------|------|------|---------|--------|-------|-------|
| 1955 | 24.5 | 19.8 | 15.5    | 9.3    | 3.4   | 5.1   |
| 1960 | 21.6 | 16.3 | 19.3    | 9.7    | 5.1   | 6.9   |
| 1965 | 20.5 | 13.5 | 19.2    | 8.8    | 6.8   | 9.4   |
| 1970 | 19.4 | 10.7 | 19.7    | 8.5    | 7.0   | 11.5  |

(Source: UN Yearbook 1970)

The parallel feature of the decline of US (and UK) imperialism has been the rise of West German and Japanese capitalism. They have been free from the burden of racing military expenditure needed to protect their investments. Unlike the US and the old colonial powers France and the UK, Japan still spends little more than 1% of its GNP on defence. Imagine what could have been achieved if British capitalism could have diverted its 10% of product spent on defence to more productive investments.

# The Power of US Imperialism

However, this relative decline must not be over exaggerated. US capitalism remains the leading imperialist power by a long way as these figures below show:

Comparative levels of real output and output/head 1965

|         | GNP   | GNP/head |
|---------|-------|----------|
| France  | 17.0  | 67.4     |
| Germany | 21.8  | 74.6     |
| UK      | 19.0  | 67.8     |
| Italy   | 12.2  | 46.0     |
| Japan   | 23.0  | 45.7     |
| USSR    | 60.6  | 51.1     |
| USA     | 100.0 | 100.0    |

(Source: Maddison 'Economic Growth in the West')

With their large investments, the US imperialists have bought up vast sections of European industry. Up to 1966, the total value of US investment in Europe reached \$17,500M, at which time American monopolies controlled 80% of European computer production, 24% of their motor industry, 15% of synthetic rubber and 10% of petrochemical production. 16% of British industrial investment is held by American owned companies. It was this that led De Gaulle and even Wilson to complain about the loss of 'national sovereignty' and to point to the boggy of Yankee imperialism. While the US has lost relatively to other nations, it remains the mightiest nation in the history of capitalism. Three US monopolies have a larger turnover than the budget of the UK, and the budget of General Motors is greater than the budgets of the governments of Italy, Japan or Canada. Standard Oil, Ford and Shell each exceed the budgets of Sweden or Holland and are twice as large as the budgets of Belgium or Austria. No wonder Mr. Henry Ford II was treated with great ceremony by Heath when the American monopolist visited England recently.

## The Price of Imperialism

But the purchase of Europe's industry and the finance of investment there by American monopolies has been made at some cost to the US capitalist class as a whole. Initially, the US could maintain these expenditures with its overwhelming surplus of exports of commodities and services. However, with the increasing demands of military expeditions abroad and the incorrigible greed of US companies wishing to invest abroad, this surplus was not adequate to meet outgoing expenditure. Between 1946 and 1968, the US government spent \$57,700M on military activities abroad and \$35,800M on grants to foreign military forces, to prop up ailing totalitarian regimes and NATO. The Vietnam war alone cost \$30,000M! This year the US deficit on the balance of payments will reach \$10,000M.

Nothing has more sharply confirmed the 'dogmatic' Marxists in the labour movement than the panic and chaos caused by the present crisis and the stringent measures of deflation and cutback which will follow. Bourgeois economists cannot understand the situation, because they cannot understand that growth of production cannot be perpetually maintained by injecting fictitious capital into the economy. Only productive investment setting in motion the labour power of the working class to produce surplus value can do that. And such productive investment brings its own contradictions in the form of declining rate of profit and over production.

## Monetary Panic

The convulsions in the international monetary system are both the reflections of the growing production crisis of world, particularly US, capitalism; and also a possible cause of the beginning of a general crisis.

As the US imperialists attempt to maintain the artificial superiority of the dollar on exchange markets as a price for the defence of the 'free world' and to enable them to buy up Europe on the 'never-never'; they place the whole international monetary system in jeopardy. They are spreading the disease of inflation and stagnation to the healthier bodies of Germany and Japan.

Already, the crisis had reared its head openly in the rush for marks in 1968, which led to the break-down of the gold exchange system. In its place a temporary two-tier system was introduced, where private holders of dollars could buy gold on the free market at a competitive price, while all gold in the hands of the respective governments and gold-producing countries must be exchanged at the official price. The German mark was forced into revaluation to stop the flow of dollars and weaken German exports in world markets. Earlier this year, the Germans were forced to float the mark (allow its rate to be free) above its official rate to stop dollar holders buying up marks indefinitely. \$1000M flooded into German banks in the space of one hour on May 5th and German dollar reserves reached \$16,000 during the crisis. The US, having succeeded in pressurising the Germans, turned their attention to the Japanese. It was the turn of the yen to be under pressure, but the Japanese would not relent, provoking the US leaders.

## A Thieves' Kitchen

These convulsions have already threatened the unity of capitalist Europe - the Common Market. One of the aims of the EEC was a common currency, or at least stable currencies so that the Common Agricultural policy may work. Yet, the crisis forced the German Govt. to take unilateral action to float the mark; as Herr Brandt said on German TV: "There are times when Germany has to put its own interests first." The first meeting of EEC ministers to discuss the German action was described as a "wrangle in a thieves' kitchen when spoil has to be distributed." (Spectator May 15th)

Now we see the individual nation-states of Europe, including the prospective new 'fraternal brother' - the United Kingdom, squabbling amongst themselves about who should suffer the most from the US imperialist whip. Neither Japan, Germany or France or the UK wishes to revalue in terms of dollars to a greater extent than their 'European friends' and thus weaken their competitive position vis a vis other manufacturing nations. Heath and the Tories would like to make a disguised devaluation so that entry into Europe is less painful on their balance of payments, even though it would mean an increased cost of living to the British working-class. Germany wails pathetically 'but we have revalued twice in two years - it's not fair', the prospect is not good for the German industrialist who sees his profit margins squeezed even further. France as always wishes to give nothing away and Japan's obstinacy started the immediate crisis in the first place. Internationalism and brotherhood for the ruling classes is only for pious speeches at the United Nations, not for the bargaining rooms of high finance.

As Marxists have always explained, it is impossible for real economic and political unity to be achieved by national capitalist classes when faced with the contradictions of their own system. The crisis of international money has more than demonstrated that.

## Impasse for Capitalism

US imperialism cannot avoid the monetary barrier forever. Before the crisis, gold was heading for \$50 an ounce on the free market as speculation against the dollar increased.

### World Reserves of Gold and Currency '000M\$

|             | 1951 | 1965 | 1970 |
|-------------|------|------|------|
| Gold        | 33.9 | 41.9 | 37.2 |
| Int. Credit | 1.7  | 5.4  | 10.8 |
| Currency    | 13.7 | 22.9 | 43.9 |
| TOTAL       | 49.3 | 70.2 | 91.9 |

(Int.Fin.Stat. June '71)

On all this paper, capitalism has had a new lease of life.

Nevertheless, as more and more dollars have streamed into Europe, the European finance-capitalists have increasingly converted their paper into hard bullion. There has been a dramatic drop in US gold reserves.

|        | 1962    | 1970    |
|--------|---------|---------|
| USA    | 16,057M | 11,072M |
| UK     | 2,581M  | 1,349M  |
| Europe | 14,887M | 17,395M |
| Japan  | 289M    | 532M    |

And the total reserves including dollars held by European governments before the dollar crisis was now twice as large as those held by the USA. Total US gold reserves fell below \$10,000M in July 1971, for the first time since the war. All this reflects the relative decline of US imperialism and the reduced confidence that European bankers were placing in the dollar on currency markets. The dollar remained pegged in value at \$35 an ounce of gold by the Bretton Woods agreement and could be converted into gold at any time before the Nixon measures. This arbitrary price cannot escape eventual drastic readjustment to real values - credit cannot break the monetary barrier. Even the small readjustment proposed in some circles during the present crisis (5-10% increase) will not be enough for the future. The price of gold is arbitrary not only because dollars no longer match the export surplus of US goods, but because there has been a gradual increase in real value of gold as the costs of extracting gold ore have continued to rise in the gold-producing nations of the S.Africa and the USSR.

## Europe v USA

Increasingly, it is in the interests of the European finance capitalists, holding the greater proportion of gold and determined to assert their new power, to oppose the artificially maintained dominance of the dollar. DeGaulle attempted to attack the dollar by buying up gold with their surplus of dollars. This attempt failed, mainly because the price of this attack for French capitalism was too great - the revolt of the French working-class in 1968, followed by the devaluation of the franc. Nevertheless, the US have not been able to maintain this artificial position. The US capitalists demanded that Germany, Japan and France re-adjust their currencies upwards relative to the dollar, as the US satellite, Canada, had done two years ago, so the position of the dollar was not sacrificed in correcting the breakdown in the payments system. The US could then continue to buy up Europe with paper. Necessarily, the national capitalist classes of Europe resent this political blackmail which forces them to weaken the competitiveness of their industries on world markets by revaluation (increasing the dollar price of their exports), while the US continues to maintain such a vast balance of payments deficit. Something must give - this present crisis shows that.

What does US capitalism want? Nixon tells the world that he just wants to reform the international monetary system to make it fairer and more stable. What the US imperialist autocracy really want is to maintain their grip on the world's resources and trade: including their grip on the other advanced capitalist nations. They demand that Europe and Japan go on rations in order to prop up their ailing superiority. Capitalist Europe and Japan were allowed to ride after the war to boost trade and help US profits. Now

Europe and Japan are getting too big for their boots and the US is determined to make these shoes fit again without changing the size. The US wants to plan and ration the share of surplus-value that these nations can realise from world markets, and thus maintain the lions share for themselves. Ahead looms a titanic international trade war. That the situation before the recent dollar crisis was getting worse, not better, is shown by the startling fact that imports of commodities actually exceeded exports in April and May 1971 by \$420M and there is a real possibility of the first annual visible trade deficit for the US since 1893 - the first since US capitalism became a major imperialist power! This explains the need for that 10% import surcharge.

## The Monetary Barrier

The United States capitalists have increasingly financed and bought European industry on the cheap with paper dollars not backed up by any real commodities. This is nothing but a gigantic swindle which cannot last forever.

Why this is a swindle lies in the nature of money. After all, what is money? It is the most ideal and abstract expression of value, the universal measure of the labour time expended on commodities. Because of this it becomes a means of payment for commodities and means of hoarding value in reserve. To function as a means of payment and as a store of value, money must take the form of a real commodity - historically gold. As Marx pointed out, world money has been based on gold in the form of bullion, acting as the universal means of payment. Gold reserves represent the share of surplus-value produced by the working-class which is hoarded by each national capitalist class and gained by the sale of commodities on the world market. Gold, the money commodity is the ideal expression of the social character of wealth. As Engels put it:

"The wealth of society exists only as the wealth of private individuals who are its private owners. It preserves its social character only in that these individuals mutually exchange qualitatively different use-values for the satisfaction of their wants. Under capitalist production they can only do so by means of money. Thus the wealth of the individual is realised as social wealth only through the medium of money. It is in money, in this thing, that the social nature of this wealth is incarnated". (Capital Vol.3.p560).

Other currencies on the other hand, are mere tokens representing pledges in lieu of commodities or real money-gold. This form of credit will function as means of payment as long as there is no interruption in the circulation of commodities, as long as faith and confidence in the paper tokens is backed up by a flow of real commodities. If that is lost, if any particular paper token no longer fully represents in lieu of gold or commodities then the whole basis of credit system begins to disintegrate.

"So long as production is in a state of flux this is forgotten. Credit, likewise a social form of wealth, crowds out money and usurps its place. It is faith in the social character of production which allows the money-form of products to assume the aspect of evanescent and ideal, something merely imaginative. But as soon as credit is shaken...all the real wealth is to be actually and suddenly transformed into money, into gold and silver - a mad demand which however grows necessarily out of the system" (Capital Vol.3.p560).

Gold is potential money-capital capable of universal exchange for any commodity capital which is used with living labour to produce surplus-value. Paper currency, stocks and shares, bills of exchange etc., are mere titles or pledges for the share of that value - they are fictitious capital. If confidence is lost in these titles to the possession of exchange-value then the system of credit breaks down and the money barrier to further production reasserts itself:

"Capitalist production continually strives to overcome the metal barrier which is simultaneously a material and imaginative barrier of wealth and its movement but again and again it breaks its back on this barrier" (Capital Vol.3 p561).

Production for profit not needed reaches its logical conclusion in such a crisis of credit - the desperate search for money: gold, and at the expense of production of use-values in the form of commodities.

## Fictitious Money

United States investment in Europe has not been financed by real money-capital, gold, but by fictitious capital - dollars. The US capitalists by virtue of their predominant position have been carrying out a swindle produced by the capitalist system itself. If the US capitalists cannot pay for investments by a real commodity surplus, they could pay for it by gold bullion. In fact, the size of US gold reserves was insufficient for such investment and dollars have been imposed by the US as the main method of payment. Without this large increase in fictitious capital, world trade would not have expanded in the post-war period as it has.

Parallel to this international confrontation, there is the growing contradiction of stagnation and inflation acting like a cancer to the insides of each capitalist country.

Every advanced country in the 'free world' is now suffering from inflation. The average increase in prices in 1970 was:

|            |      |        |      |
|------------|------|--------|------|
| W. Germany | 3.8% | France | 5.3% |
| Belgium    | 3.9% | USA    | 5.9% |
| Italy      | 4.9% | UK     | 6.4% |
| Japan      | 7.8% |        |      |

As we have shown elsewhere (See MIR No. 4 & Militant 71 1971) inflation is not caused by 'excessive' wage-rises, but mainly, though not solely by the fantastic increase in fictitious capital which has taken place in all the capitalist countries. In particular, arms expenditure is the most obvious form of fictitious capital in the modern era. The arms manufacturers produce neither constant capital in the form of plant or machinery for productive use, nor consumer goods to be used by the labour force. Yet, the arms manufacturers and their workers have to get their share of the product produced by society as a whole, in wages or profits. Thus, arms production becomes a tremendous burden on the productive sector of the capitalist economy, creating fictitious capital and thus inflation. Nothing could be further from the truth than the arguments of the 'state capitalists' that arms expenditure solves the problems of capitalism by creating a permanently full employment economy. For at the same time as this spiralling inflationary problem, the capitalist nations are steadily moving into a crisis of stagnation and over production, as the rate of profit in each country tends to decline. This is especially true of those big arms spenders, the US and the UK. In the US, the average profit rate of all corporations before tax has declined from 18.8% in 1950 to 10.9% in 1961 (See H.J. Sherman 'Profits in the USA'). Unemployment in the UK is heading for 1 million while the US continues to have a dramatic 6% rate. The CBI published figures of the utilisation of machine capacity in various industries for 1971 which show how the arthritis in capitalist production has set in.

|                  | Utilisation % |
|------------------|---------------|
| Textiles         | 62            |
| Metals           | 65            |
| Building Mat.    | 55            |
| Capital goods    | 51            |
| Vehicles         | 49            |
| Elec.Eng.        | 49            |
| Mech.Eng.        | 45            |
| Paper & Printing | 45            |
| Chemicals        | 43            |
| Food             | 35            |

So much for those in the labour movement, like John Strachey, who, after the war, saw Anglo-American imperialism as a great example for having solved the problems of the hungry

thirties. Now the UK and the US are in a more disastrous position compared to the full employment situation existing in Japan and Germany.

Just after the war it was claimed by the bourgeois economists and followers of Keynes in the labour movement like Strachey and Crosland, that with the state managing the economy through budgetary deficits financed by fictitious capital, that unemployment was a thing of the past. Only dogmatic Marxists could maintain the absurd theories of a crisis in capitalism, now that it was modified by the state. Yet, full employment was achieved not by the state but by the great new expansion in trade and production which is rapidly coming to an end. Now the economists and revisionists in the labour movement have been thrown into confusion by the occurrence of unemployment alongside inflation and stagnant growth. Keynes was buried and the old quantity theory of money was revived under the guise of a new apologist of the system, Milton Friedman. Friedman says the cause of inflation is the uncontrolled supply of banknotes going into the economy, and if the state steadies this flow then inflation will subside so that production and employment may expand. This facile theory (that because a rise in prices induce an increase in money supply, then a reduction in money supply reduce prices) has been refuted by the experience of President Nixon who abandoned Friedman's theory after one year as inflation and unemployment remained unabated, despite new financial restrictions inspired by Friedman's supporters. The capitalist system and the monopolies will find credit whatever the state does if they need to maintain accumulation and profit levels. What will end inflation will be its drastic opposite: a crisis of over production - which no 'monetary management' of the economy by the bourgeois economists or by reformists in the labour movement will be able to stop.

## Trade War Inevitable

The US government's recent measures had been aimed at avoiding devaluing the dollar in terms of gold. Instead, they have imposed import surcharges to overcome foreign competition on world markets. Such a measure opens the possibility of retaliation and the beginning of an international trade war. Such a trade war would have a drastic affect on production increasing the danger of a general world recession. As an alternative, some economists call for the floating of all currencies relative to the dollar. This would relieve the pressure on the dollar, allowing it to maintain temporarily its present parity with gold at the expense of the other capitalist powers. This is hardly a solution acceptable to Europe or Japan for long. If the dollar was floated as well, it would cause anarchy in commodity markets as no businessman could be sure of what price he was getting for his goods from month to month or year to year. Some economists call for the revaluation of gold to say \$50 an ounce, which would recognise the relative gains of the Europeans and Japan over the US, but such a tacit devaluation of the dollar would still not solve the problems of the US deficit except temporarily and is hardly acceptable to US imperialism.

A temporary glossing-over of the crisis has now been dictated by the USA: the dollar has been slightly devalued, in return for an end to the import surcharge. No bourgeois commentator has any confidence that this will solve the problem. For under capitalism there can be no permanent solution which does not pose world planning and the ending of the very cardinal feature of capitalism, the nation-state and private property. An international trade war is inevitable if not immediately, at least in the future, as soon as the present patch-up job breaks down.

Whatever happens, revaluation or devaluation means the same to the working classes of the world - an attack on their living standards. Devaluation of the pound in 1967 meant a cut back in social serves and increased food prices. Revaluation of the German mark has forced the German Govt. to combat inflation by a cut in social serves to the tune of 1,800M DM. While the capitalist system of exchange and production is maintained, the working class will suffer whatever the solution of the economists. Nixon has announced a 90 day price-wage freeze in the USA and has appealed to the 'work ethic' of American workers - shades of Heath and Wilson(?).

The long period of upswing that capitalism has experienced since the war was partly made possible by the very conditions that place the whole system in jeopardy now - the flood of greenbacks. It is clear that that upswing is drawing to a close and will shortly be replaced by the reverse process. The downswing will be equally as dramatic as the upswing has been. However, just as the upswing was tempered with short recessions, so the downswing which has reached fantastic proportions will make the readjustment under conditions of slump even more painful. The first slump may only be of short sharp character, quickly replaced by a temporary boom, only to give way to an even greater reversal. The seeds of such a crisis are evidently flowering in the system of international credit and money which the United States has dominated since the war. What this heralds for the fate of humanity depends on the result of the struggle between imperialism and the world working class which must reach its most decisive stage in the period to come.

# THE 5P ENGINEERS' CLAIM

## A SOCIALIST ANALYSIS

### CONTENTS:

ECONOMIC CRISIS  
FIGHT FOR THE FULL CLAIM  
A SOCIALIST PERSPECTIVE

*Send for Copies to* MILITANT PUBLICATIONS  
375, CAMBRIDGE HEATH ROAD,  
LONDON E2 9RA

## A MILITANT PUBLICATION

# CHILE

## The threatening catastrophe

By ALAN WOODS

The election of the "Government of Popular Unity" in Chile last November was an event of great importance for every Socialist. Both the capitalist press and the journals of the "Communist" Party have presented it as a step towards Socialism "through the ballot box". The experience of the Allende Government will serve as a test-case of the possibility of the "parliamentary road to Socialism". It holds vital lessons for every thinking member of the Labour Movement.

### 'Popular Front'

Contrary to the legend, assiduously fostered by the Stalinists, there is nothing "unique" about the developments in Chile. Allende is merely repeating the experience of the pre-war "Popular Front" governments in Spain, France and Chile itself. Against the saccharine "optimism" of the C.P. "theoreticians" we must point out that in every single case "Popular Frontism" has led to a bloody defeat for the working class.

The Allende government is a coalition of the Socialist Party and the C.P., with a number of middle-class "democratic" parties and grouplets - some of them so small that they make no mark upon the country's political life: the Radicals, "Social Democrats", M.A.P.U. and A.P.I.

The "theory" of Popular Frontism argues that the workers' parties must unite in parliament with the parties of the "liberal" bourgeoisie in order to win over the middle classes from reaction. In point of fact, parties like the Radicals are not the political representatives of the middle class but their parliamentary exploiters. The function of the Radicals is to keep the middle class under the yoke of Big Business by means of deception, lies and "democratic" demagogy. Such unprincipled blocs with the professional deceivers of the middle class can only serve ultimately to demoralise and disorient these sections, who can only be won by bold class policies. But a firm, revolutionary policy can only come from parties basing themselves on the class interests of the proletariat.

Class collaborationism, under no matter what "Socialist" or "Communist" banner it hides, has always had baneful results for the working class. The Chilean variety is no exception.

### Masses Radicalised

In the first period of its life, Allende's government has scored some apparent successes: free milk for school-children, rise in the minimum wage and pensions, freeze on rents and prices, nationalisation of copper, the lowering of the voting age to eighteen and the beginning of an agrarian reform.

These reforms have been greeted by the masses with enormous enthusiasm - whenever the down-trodden, demoralised people see a government that appears to mean business, taking real steps to improve their lot, the response is always dramatic. Without a shadow of doubt, the overwhelming majority of peasants and workers see this as "their" government and support it uncritically at this stage.

In the elections to the students union (FECH) held shortly after Allende's confirmation as President, the candidates representing the parties of the "popular" unity front" swept the board, increasing their vote by 40%. As always in such cases, the students are a barometer of tendencies at work in society as a whole. The municipal elections held in April revealed the same profound process of radicalisation in the working masses.

The C.P.'s share of the votes in these elections went up from 15.9% (1969) to 17.36% but the Socialist share shot up from 12.2% to 22.89% of the vote. The S.P. vote nearly doubled in these elections. The right-wing Nationalist Party, which suffered a sharp rebuff, now accounts for 18% of the vote.

The most significant result however, was the vote of the Radicals. Their share of the vote slumped from 13.0% in 1969 to a mere 8.18%. Attempts have been made to explain-away this decline by the split-off of the right-wing of the Radicals. But the plain fact remains that the Radicals were the only one of the major "Popular Unity" parties to suffer a setback at the polls. The conclusion is irresistible. The support for the Allende government represents support for Socialist policies.

It is significant that the Socialist Party - which stands (verbally, at least) to the left of the "Communists" - received the most dramatic vote of confidence. On the other hand, the bourgeois partners in the coalition have no support among the masses. They represent the prejudices of the middle class of yesterday. There is no future for that class on the basis of capitalism. The policies of the Radicals are the death of the middle class. They are doomed to decline still more in the months ahead. The question of the future behaviour of the middle class cannot be determined by parliamentary manoeuvres but the revolutionary overthrow of capitalism. A bold revolutionary policy would galvanise the intellectuals, small shopkeepers and peasants around the working-class. Unprincipled combinations only serve, in the last analysis, to drive the despairing middle class into the arms of reaction.

## The Peasantry

At the roots of the situation in Chile is the agrarian problem. The victory of Allende was only made possible by the failure of the "liberal" Christian Democrat Frei to break up the big estates (latifundia) and hand over the land to the peasants.

The condition of the peasants is illustrated by the situation in Cautin province in the South. The Mapuche Indians who make up 75% of the population in this region hold only 25% of the cultivatable land. 37% of these peasants are illiterate, 20,000 (out of 190,000) unemployed. They have the highest infant mortality rate in the country.

Under the Frei government, the peasant masses were led with lavish promises of agrarian reform. But at last it dawned on the peasants that the politicians were betraying them. When the land-hungry peasants, in desperation, tried to seize the land, they were met with hot lead. In 1968, troops and armoured cars were sent to put down a legal peasant strike. The following year 200 troops of the hated Mobile Guard killed eight peasants and wounded another twenty-seven in Puerto Montt. The village poor of Chile learned a harsh lesson in the value of liberal "reform".

Allende's election served notice on the politicians that the peasants were no longer prepared to be fobbed off with empty promises of reform which boiled down to a hypocritical defence of the Big Landowners.

News of the victory of the "Popular Unity" kindled a spark of hope in the minds of the despondent masses of the farm labourers. In the first six months, the Indian farmers of Cautin carried out fifty-six seizures of land. The dispossessed masses understood instinctively that only a revolutionary offensive could break the iron rule of the landowners.

By making a militant appeal to the farm labourers, Allende could have mobilised even the most backward, benighted sections of society in defence of the Chilean revolution. An armed peasantry, organised in peasant committees would have overwhelmed their oppressors with a minimum of bloodshed. The power of the landlords would be smashed forever - and with it the hopes of a reactionary overturn in Chile.

Instead of this, Allende has bent all his energies to prevent the peasants from seizing the land. Far from rousing the masses, his appeals have been to warn them "not to provoke the reaction." Sullenly, mistrustfully, the Indians withdrew - but hadn't they heard this sort of thing before? Didn't the Christian Democrats use to sing the same song?

## Reaction Arming

The "Comrade President" - as Allende likes to call himself - has spent the past few months practicing this song in various keys: "Don't provoke the Reaction", "Don't give excuses to anti-government forces to act."

Unfortunately, events have shown that the reaction needs no excuses to act.

The landowners - especially in Cautin - are arming to the teeth for a struggle. Pablo Goebbels - owner of a huge estate - declared publicly that any governments official coming to expropriate his land would be met by machine-guns. To underline the point, Goebbels has bought a large quantity of arms in Argentina.

According to an official police report "more than 2,000 men have been recruited in assault detachments for the purpose of engineering breakdowns in the transport system, disrupting water, gas and power supply and thus causing widespread discontent."

Santiago police, earlier this year, discovered a big cache of revolvers, machine guns, sub-machine guns and rifles in the home of Major Jose Cabrera. Investigations proved the existence of a nation-wide fascist-type organisation called "Country and Liberty" pledged to a programme of terror, assassination and subversion against the government.

Already before Allende's election, the Reaction struck. On October 22nd 1970, Rene Schneider, Commander-in-Chief of the Army was shot down on his way to the Ministry of Defence. Subsequent investigations established the existence of a widespread plot involving the ultra right-wing organisations (The Alessandri Legion, "Don't Surrender Chile", The Nationalist Offensive and the Independent Republican Front) pledged to carry out terrorist acts in various parts of Santiago. Among the thirty-two persons detained were one admiral, several big estate owners, generals and political personalities.

## Attempted Assassination

Three attempts have been made on the life of Allende, involving armed gangs. The Schneider assassination was intended to cause a crisis and prevent Allende's installation as President. Its failure was followed by a lull. Then, in June of this year, a former right-wing Minister in Frei's government - Edmundo Perez Zujovic - was machine-gunned. The assassination bore all the hallmarks of a provocation against the government.

The right-wing press has raised a clamour for the "disarming of political groups." The intention is clear: to force the Allende government to disarm the workers and peasants, while the Reaction is permitted to stockpile weapons.

No ruling class ever parts with its power and privileges without a fight with no holds barred. While Allende preaches "responsibility" and "discipline" to the masses, the Reaction is gathering its strength for a counter-stroke. Badly shaken by Allende's victory, and bowed by the movement of the masses, the ruling class has been forced to play a waiting game - at least for the present.

The landlords and capitalists understand that it is impossible to overthrow the "Popular Unity" government at this stage. The masses are in an aggressive, self-confident mood. Under these circumstances, an attempted coup could lead to an explosion, the outcome of which might be disastrous for their class.

Nevertheless, careful preparations are being made, arms are being collected, plots hatched in the top of the army and the Civil Service. The danger is very real.

# Parliamentary Cretinism

In his reformist blindness, Allende imagines that his position can be maintained by "clever" manoeuvres in parliament. The revolutionary initiative of the masses does not figure in his plans. However, to preserve his reputation as a "Marxist" and a "revolutionary", the "Comrade President" advances demagogic slogans like: "The people have won the government. Now they must win the power."

By this winged phrase, Allende wishes to place the entire responsibility for his own inaptitude on the shoulders of the masses. Like Pontius Pilate, he washes his hands off his own responsibility and piously advises the masses to "win the power" - while simultaneously appealing to them not to act, not to "provoke the Reaction." One might well wonder how it is possible to "win the power" without provoking the Reaction! But such contradictions do not bother the "Comrade President" who is proud of his contempt for "dogmatic" theory.

In an interview with Regis Delray - who obligingly feeds Allende with suitably polite inquiries concerning the viability of the "parliamentary road" - Allende put forward the idea of a single chamber to defeat the obstruction of the Senate and the setting up of "peoples' tribunals." Evidently he was adjusting the tone of his arguments to his company, because the "Comrade President" no sooner encountered resistance in Parliament, then he dropped his single chamber, peoples' tribunals and all! Not without a touch of malicious irony, the Economist correspondent quoted Allende's reply that "for the moment, constitutional changes are not high on his list of priorities."

The haughty, bureaucratic contempt in which Allende holds the masses is equalled only by his colleagues in the so-called "Communist" Party, one of whom is reported in the Economist (April 10th) as commenting:

"We want the people with us, but they must not be allowed to go beyond the government line."

That "government line" is laid down for Allende by the Chilean ruling class. His very confirmation as President was made conditional on a pledge not to go beyond the Constitution. The representatives of the "revolutionary" government - faced with an ultimatum from the Christian Democrats - "compromised" - and signed the notorious "Estatuto de Garantias Democráticas."

Allende understands quite clearly what he must do and what he must not do in order to keep out of trouble with the Powers-that-Be. On the one hand he is graciously allowed to keep the masses quiet by granting a number of secondary concessions - which do not alter the fundamental class balance of power, and which can all be taken back on the morrow when the masses are demoralised and incapable of resistance. He can issue as many demagogic speeches as he likes, provided none of them actually leads to any decisive action on the part of the workers and peasants.

On the other hand, the landlords and capitalists will make sure that the nationalisations do not go so far as to take the power out of the hands of the fifty giant companies which control the lion's share of the Chilean economy. Allende must not interfere with the armed forces. He must not act against the "freedom" of the monopoly Press which daily pours out a stream of dirt and lies against the "Marxist" regime. Above all, he must not attempt to alter the Constitution, which holds him in a straightjacket and enables the Christian Democratic opposition, the Senate and the High Court to block and sabotage fundamental legislation.

The role of the organs of state is clearly shown by the behaviour of the Supreme Court in the investigation of the murder of General Schneider. Senator Raul Morales Adriasola of the right-wing Radical Democratic Party was implicated in the plot and the Military Prosecutor demanded the lifting of his parliamentary immunity. Adriasola was accused of organising a conspiracy which involved bringing five hundred machine-guns from Argentina in order to overthrow the government. The Court of Appeal approved the lifting of immunity but the Supreme Court overruled the decision, protected Adriasola and frustrated subsequent investigations.

- The ruling class has worked out a convenient division of labour; reactionary bands stage armed provocations on the streets, while the Christian Democrats act as a "Respectable" cover in Parliament. Under the slogan of "preventing Marxist excesses", the Christian Democrats obstruct and sabotage reforms. Above all, they have their sight fixed on the agrarian programme which, they shout, is proceeding too fast, "jeopardising food production."

By this cunning and hypocritical formula, these "Christian" gentlemen are blaming the "Popular Unity" in advance for the terrible famine which the landlords and capitalists seek to inflict on the Chilean people. Already, news is coming in from the countryside of the slaughter of cattle and the failure to plant grain.



PEASANTS GUARDING OCCUPIED FARM IN CAUTÍN PROVINCE WITH SHOTGUNS

The only way to prevent the complete breakdown of food supplies to the cities is to mobilise the peasants now, to take over the big estates. Allende is hypnotised by the apparent strength of the Christian Democrats. But that party's strength is based on the inertia of the peasant masses. A revolutionary solution of the agrarian problem would win the mass of peasants - the Christian Democracy would break in pieces.

Instead of relying on the revolutionary peasantry, Allende prefers a parliamentary deal with the Christian Democrats. In fact, he merely echoes their accusation of "anarchism" directed at the peasant squatters:

"If this (agrarian reform) is done in an anarchical way, it would be impossible to plan production" (Conversations with Allende, p.105)

Only a case-hardened bureaucrat, with a contempt for the working people, can identify the movement of the masses with "anarchy." Actually, the only way to ensure a peaceful and orderly solution of the land problem is to arm and organise the peasantry in peasant committees. It is precisely Allende's parliamentary cretinism which is paving the way for "anarchy" - a bloody civil war and a terrible famine - for the working people.

While Allende and the C.P. are performing the Parliamentary minuet with the bourgeois parties, the bankers and industrialists are busy sabotaging his reforms. Unemployment is already heavy and is increasing. Already in March, the figure in Santiago was 8%. Investment has dropped sharply, as the capitalists pull out their money. Unless the "Popular Unity" is prepared to take drastic measures, factory closures will continue to create a sea of human misery.

The nationalisation of copper mines was immediately sabotaged by a walk-out of 300 mine managers. Technical staff have been leaving the country in a steady stream. Production has slumped. Meanwhile, the threat of an economic blockade from the U.S.A. is constantly suspended over Allende's head as a further gentle "encouragement" not to "overstep the mark." As the Economist gleefully commented:

"If the compensation for the \$724 million confiscated investment is bad....then the American authorities, already bristling with ill-will, could cause havoc with Chile's production."

Inflation is rapidly eating away the workers' gains in wages. Speculation against the escudo is raging unchecked: the black market rate is now twice the official amount. These facts spell disaster for the Chilean economy - a catastrophe which will wipe out at one blow most of the reforms of the present administration.

Despite the increasing hardships, there is no doubt that even now the vast majority of Chile's workers and peasants faithfully support Allende. But that can change. If unemployment and inflation are allowed to go unchecked, if Allende continues to retreat before the Right in Parliament, if armed fascist gangs are allowed to gather strength then inevitably the attitude of the people will change.

## Peasants Feel Betrayed

Beginning with the middle-class, who looked to Allende to halt rising prices, a mood of bitterness will set in. The peasants will no longer believe that there is any difference between Frei and Allende. They will feel betrayed by the "politicians." Workers, deprived of their jobs, will lose faith in a government that proclaimed the right to work, but could not guarantee their jobs.

Once the government has dashed the hopes placed in it by the masses, its fate is sealed. The balance of forces can change radically. In the measure that the workers become demoralised and disheartened, the Reaction will become bolder. The activity of the fascist gangs will be stepped up, while the army and police look on.

In Parliament, the Christian Democrats, voicing the fright of the petty bourgeois, will demand harsh measures to end "anarchy" and restore Law and Order. Allende has already taken the first fateful steps in this direction, by sending police to close down bases of the M.I.R. where workers were learning the use of arms. The army has been used to evict peasant "squatters" from the land.

Allende, like every reformist, imagines that his "respectable" behaviour will stave off reaction. On the contrary. Every retreat before bourgeois "Public Opinion," every blow struck against the Left, increases the danger from the Right. In this way, the stage will be set for the final installment - the intervention of the military.

The whole process unfolding in Chile poses the question of the army with increasing urgency.

Thus far, the forces of Reaction have been cowed by the sweep of mass radicalisation. The army has remained cautiously in the sidelines.

This has given Allende the possibility of claiming for the Chilean army a "special", "democratic", "non-political" character. From the moment he took office, Allende has constantly flattered the army and its general staff. The pay of the armed forces has been increased. Allende has made a special point of attending big parades, distributing medals, lavishing praise on the army. He fondly imagines that this grovelling will endear him to the general staff. But perceptive bourgeois observers can see further than this self styled "Marxist":

"It has been said that Allende, by flattery and increase of pay has already neutralized the armed forces. This seems to be an over-statement. What he has done is to keep the Army out of politics while he maintains the constitution. If he were to go beyond it, no-one can predict what would happen. (quote Sunday Times June 14th).

So convinced is Allende in the omnipotence of his manoeuvring with the tops of the army that he modestly declined the opportunity of staffing it with his own supporters after the assassination of General Schneider - which he was constitutionally entitled to do.

Allende's sole act of interference with the armed wing of the state was the disbanding of the infamous "Mobile Guard" - a kind of mobile gendarmerie used for suppressing strikes. But the Carabineros remain - "a professional corps equipped with modern, heavy armaments, communication, transport and an efficient bureaucratic organisation. It comprises 30,000 men, distributed all over the country in specialised units."

Nothing has been done to touch the old bourgeois state machine. Indeed, an act passed in the last days of the old regime makes it illegal for Allende to remove the old officials!

However, Allende's slavish respect for Authority - in the form of an Army jackboot - will not save his skin when conditions permit the counter-revolution to raise its head. The tops of the Army, Police and Civil Service are linked by a thousand threads with the landlords, bankers and capitalists. Undoubtedly, the sympathy of the rank-and-file workers in uniform is with the government. But behind their backs stands the officer with his stick and revolver. The passive sympathy of the soldiers will be of no avail unless the hold of the officer caste is broken. Yet Allende persists in propping up the general staff with his own authority.

## CP's Despicable Role

The "Communist" Party of Chile has played a despicable role in all this. The following is an extract from an internal bulletin of the C.P. - published months before the September elections:

"Do you know how much the general of a division, or a vice-admiral, or an airforce general earns? The basic salary for these military chiefs is 857 escudos. Together with 5 yearly increases, professional bonuses, allowances for houses and ranches and other increments, their monthly earnings are in the region of 3,000 escudos. If we take into consideration the fact that these are the highest officials in the Armed Forces, and that they also have the greatest responsibilities in the army and its functions: if, moreover, we consider that these are men with 30 or 40 years of service behind them and have graduated through all the military ranks, that at this level, they have sons and daughters to clothe, feed and educate at good schools ("Ciceos") or universities and that the nature of their employment does not permit them to live in one place, if we take all this into consideration, we can come to no other conclusion than that such a wage is insufficient."

The document goes on, as if to excuse itself:

"To a comrade who lives in poverty, a salary of 3 or 4 thousand escudos a month may seem enormous...."

However, it goes on to "answer" one question by posing another, even more significant:

"Could anyone consider it acceptable for a senior (state) official with 20 years' service and after three years in the same grade, to receive 1,156 a month? Then it is

clearly intolerable that a senior army officer after 25 years' service....should receive 1,363 escudos."

These stalinist bureaucrats corrupted to the marrow, are thinking only in terms of their "Socialist tomorrow" - in a comfortable government office, in which a wage of 1,156 escudos would be "clearly insufficient."! (These figures by the way, give only the basic salary, without including the numerous other perks and increments, like free use of staff cars, uniforms, apartments, batmen, etc.)

"It is clear then," the document goes on, "that the unrest in the Armed Forces, which the country is beginning to take note of, is absolutely justified. And we Communists wish to state that in our opinion it is the duty of the Chilean nation to resolve this problem. Tomorrow or the day after, we may be facing some external danger or other. And to meet such an eventuality, which god forbid, patriotic sentiments is not enough. The main thing will be the solid unity of the country around the objectives which correspond to the tendency in the direction of social advance (sic!) and which, in general (!) are identified with the interests of the people."

## Marxism Forgotten

If we bear in mind that these lines date from the period of the Frei administration and are the product of the general secretary of the C.P.C. we can see to what depths of nationalist and reformist degeneration these people have sunk.

For a Marxist, the state is not an "impartial" body which stands above society, but "armed bodies of men in defence of private property." Is it really necessary to repeat this elementary truth 50 years after Lenin wrote State and Revolution? Evidently it is. For the leaders of the "Communist" Parties have learned nothing from the whole history of the last 50 years, while they have forgotten whatever scraps of the basic ideas of Marxism they ever knew.

By their latest policy of "Popular Frontism" - which they are pushing forward in every country - they are preparing the way for new and bloody defeats for the workers in France, Italy, Spain and elsewhere. Everywhere they resort to the same pitiful excuse to explain away the policy of class collaboration: "But things will be different in our country. We have different traditions. It happened in Indonesia, it happened in Greece, but it can't happen here!"

The Chilean Popular Frontists claim a "special" road for Chile, on account of her past history of parliamentary democracy, the relative stability of her institutions, the tradition of the Army's "non-interference" in politics.

It is true that the Chilean bourgeoisie is a particularly entrenched and "solid" class. The rule of Capital has been maintained through Parliament all these years, precisely because it has never been seriously challenged. It is "the England of Latin America."

Yet precisely in a country with long traditions of stable bourgeois rule, the task of a socialist revolution is infinitely more difficult. The bourgeoisie has perfected a formidable machine of class rule in its state. The Constitution sanctifies that state. And Allende sanctifies the constitution.

## Bloody Repression

The story of the "peaceful" traditions of Chilean politics is a myth. At every stage where the ruling oligarchy felt its position challenged by the workers and peasants, they have lashed out brutally. Debray describes it as "one of the most violent and perhaps the most bloody histories in Latin America," and quotes a series of bloody repressions:

"from the first great strike of port workers in Valparaiso in 1903 (30 dead, 200 wounded) the 'meat strike' in Santiago in 1905 (200 killed), the massacre of Santo-Maria at Iquique, the cradle of the workers' movement, in 1907 (more than 2,000 victims mowed down by machine guns in the city square), the Punta Arena massacre of 1920, the Coruna massacre of 1925 (3,000 killed in the saltpetre mines), the massacre of peasants at Rancu in 1934 (60

dead) to the recent exploits of the Christian Democracy at the El Salvador mine in 1966, via the Santiago riots of April 1957." (conversations with Allende, p.31.)

The "civilized" veneer of capitalist democracy lasts only as long as it does not feel its rule challenged by the workers. When that day comes, the velvet glove is cast aside to reveal the mailed fist of reaction.

The Chilean "Popular Frontists" think they are avoiding civil war and bloodshed by "choosing" the Parliamentary road. But Socialism cannot be smuggled through Parliament, while the landlords and capitalists are safely tucked up in their beds. The inevitable logic of all forms of reformism and "gradualism" is to prepare rivers of blood for the working people.

## There Is Still Time

The fate of the Torres regime in Bolivia is a warning to the Chilean workers. Unfortunately, Allende is deaf to all warnings. But there is still time to act! The balance of forces is still enormously in favour of the workers' movement. In fact, the situation could not be more favourable for the complete routing of the reactionary forces and a peaceful transition to a workers' state in Chile.

A public opinion poll held in Santiago earlier this year showed that Allende has the overwhelming support of the working class. A highly significant figure was that 89% of working class women supported the government. The majority of these women must be ordinary working housewives - not usually among the most advanced political elements. This fact strikingly illustrates the profound process of radicalisation which has affected the Chilean masses these past months.

If that enormous reservoir of enthusiasm is not to be squandered, decisive measures are necessary to check inflation, halt unemployment and disarm the reaction. The constant obstruction of the state apparatus and the right wing opposition in Parliament give Allende a golden opportunity to appeal to the masses outside of parliament. The masses themselves must be mobilised to carry through the entire programme of reforms "from below."

Allende has his mandate. No "Constitutional" trickery must be allowed to stand in the way. The workers and peasants would respond enthusiastically to an appeal which called for

- 1) the setting up of Peasant Committees to take over the land in an organised manner without waiting for parliament. A decree of land nationalisation without compensation can be passed later to "legalise" the seizures.
- 2) Workers control should be introduced to prevent factory closures and halt unemployment. Factories which close down must be nationalised under workers' management, with minimum compensation on the basis of need, decided by workers' and housewives' committees.
- 3) the trade unions should set up Committees of Action, drawing in housewives and tenants, to force landlords to reduce rents and prevent price increases.
- 4) Above all, a workers militia should be set up, linked to the trade unions, to defend the workers gains against the onslaught of reaction.
- 5) Instead of ingratiating himself with the generals, Allende should appeal to the rank-and-file to set up soldiers' committees with powers to run their own affairs, supervise discipline, etc. Trade Unions must have full rights to organise the troops and draw them closer to their brothers in industry. Faced with a powerful movement of the workers and soldiers, the officer caste would be suspended in mid-air.
- 6) The mass-media, which at present constitute an important rallying point of reaction, should be nationalised. Access to radio, T.V., and the printing press should be guaranteed only to workers' and peasants' parties which support the programme of the revolution.

This is the programme of a peaceful transition to a workers' state, a revolution without bloodshed, like the Bolshevik revolution of 1917. It is possible on the basis of a correct Marxist leadership.

# MARXIST LEADERSHIP NEEDED



*The citadels of the poor*

## ALLENDE: MARXIST IN WORDS ONLY



The tragedy of the Chilean people is that such a leadership does not exist at the present time. Allende, who has disgraced the name of "Marxism", cannot provide it. Neither can the wretched careerists who pass for the leaders of the "Communist" Party.

On the "outside left" of the "Popular Unity" is the M.I.R. (Movimiento Izquierda Revolucionario) - the guerilla organisation.

Like the Tupamaros and other quasi-Guevaristguerillas, the M.I.R. is made up mainly of students and intellectuals. This organisation has made several correct criticisms of the Allende government, but its general position is ambiguous, and its ultra-left orientation effectively cuts it off from the mainstream of the working class.

Claiming allegiance to Marxism-Leninism, the M.I.R. had departed from an elementary Leninist position by boycotting elections - which at the present time means effectively boycotting the mass of the Chilean workers.

Instead of working patiently inside the mass workers' organisations, trying to win the ear of the advanced Communist and Socialist workers, the Miristas cling to the childish illusions of a "protracted war" in the countryside. The idea that "power grows out of the barrel of a gun" is repeated ad nauseam by this group. But what is not explained is that without winning the masses to your programme, guns are of little use. Already the Miristas are frittering away their energies in heroic but isolated and futile military actions. There is every indication that the Allende government - under pressure from the Right - will clamp down on the M.I.R. That task will be made all the easier if the M.I.R. continues to isolate itself from the masses by its quasi-anarchist, military orientation.

A revolutionary alternative to Allende cannot come from the discredited policies of "Guaverism," but only from the advanced layers of the workers' movement itself. Already there have been rumblings of discontent at some of Allende's policies. The signing of the "Estratuto de Grarantias Democraticas" was criticised by the Socialist Youth as unnecessary and dangerous. Undoubtedly, the criticism of Allende's backsliding will grow in the weeks and months ahead, especially among the Socialist and Communist Youth, although initially there will have been a tendency to give the government "the benefit of the doubt."

Events will teach the advanced workers to reject the policy of class collaboration and "reformism." The demand will be raised to break with the bourgeois parties in the coalition and to press ahead with Socialist policies directed against the rule of the 50 Companies. The need to arm the workers will become all too evident in the coming period. The advanced workers will realise the danger.

All now depends in the ability of the conscious elements to quickly absorb the lessons and to fight for a change of course. The creation of a genuine revolutionary tendency, given the enormously favourable objective factors, could still clear the way for a successful struggle for power. A workers' and peasants' Chile would be a powerful force of attraction for the downtrodden masses in Brazil, Bolivia, Argentina. "An End to Class Compromise! A Socialist Chile in a Socialist Latin America!" This must be the battle cry of the Chilean proletariat. It is the only way to stave off the threatening catastrophe and lead the way forward to Socialism ●

Sept. 1971.

# **MILITANT**

## **THE PAPER THAT GIVES THE MARXIST LEAD TO THE LABOUR MOVEMENT**

THE WEEKLY *MILITANT* is the Marxist voice of the Labour Movement. In no other paper, will you find a consistent Marxist coverage of events in Britain and the international Labour Movement. The Tory leaders have openly admitted that they have no idea what to do about the British economy, other than lay the blame on the working class. The brutal misery of unemployment; attacks on housing and the social services; rising rents and prices, only underline the complete bankruptcy of the capitalist system. As usual, the only ones to suffer are the working class.

We think that the Labour Movement must use every ounce of its hard-earned strength to bring this Tory government down. But we don't want the Labour leaders to carry out the same policies as before. The movement must be conscious of the need to return a Labour government *pledged to socialist policies*. This means that we must fight for the taking over of the big monopolies under workers' control and management. Only then can we really plan the economy and rid ourselves for ever of the Tories and the rotten system they serve.

*Militant* provides you with up-to-date information, ammunition and arguments to achieve this aim. Ensure you get a copy every week. Get your newsagent to take a few copies and promise to buy unsold copies. Put copies in your local library. Get your TU GMC or LPYS branch to take a regular order. Sell copies to your mates at work.

Individual Subscription Rates — One Year : £2.50, 6 Months : £1.30, 3 Months : £0.70

Bulk Orders for Sale or Return





# MILITANT INTERNATIONAL REVIEW

A limited supply of back copies of M.I.R. are available. Send in for these before they run out:

Some of the articles:

No 2: Perspectives for Britain.  
Revolutionary Crisis in India.  
Workers Control: By L. Trotsky.

No 3: Crisis in N. Ireland.  
Gathering Storm in Russia.  
Leon Trotsky on Spanish Revolution.

No 4: Polish Rising.  
Marxism and Pilkington Strike  
Lessons of Paris Commune

BACK COPIES (Issues 1-4).

Please send me a copy of MIR, numbers.....

TAKE OUT A SUBSCRIPTION TO M.I.R.

MILITANT INTERNATIONAL REVIEW  
375, Cambridge Heath Road,  
London E2 9RA

(Price each copy, 20p. post free)

(Next four issues, 72p. post free)

each copy, 20p post free.  
four issues, 72p post free.

# subscribe now

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

# SOCIALIST BOOKS

|                                               |               |        |
|-----------------------------------------------|---------------|--------|
| WAGE, LABOUR AND CAPITAL                      | Marx          | 15p    |
| WHERE IS BRITAIN GOING                        | Trotsky       | 37p    |
| SOCIALISM, UTOPIAN AND SCIENTIFIC             | Engels        | 10p    |
| THE HOUSING QUESTION                          | Engels        | 15p    |
| SELECTED WORKS                                | Marx & Engels | £1.50p |
| STATE AND REVOLUTION                          | Lenin         | 12p    |
| "LEFT WING" COMMUNISM AN INFANTILE DISORDER   | Lenin         | 12p    |
| ON LITERATURE AND ART                         | Lenin         | 63p    |
| WORKERS CONTROL & NATIONALISATION OF INDUSTRY | Lenin         | 50p    |
| REVOLUTION BETRAYED                           | Trotsky       | 62p    |
| IN DEFENCE OF MARXISM                         | Trotsky       | 52p    |
| FASCISM - WHAT IT IS, HOW TO FIGHT IT         | Trotsky       | 20p    |
| GENERAL STRIKE 1926                           | Trotsky       | 20p    |
| FUNDAMENTAL PROBLEMS OF MARXISM               | Plekhanov     | £1.25p |
| LABOUR IN IRISH HISTORY                       | Connolly      | 17p    |
| LABOUR, NATIONALITY AND RELIGION              | Connolly      | 7p     |
| IF THEY COME IN THE MORNING?                  | Angela Davis  | 45p    |
| THE IRON HEEL                                 | Jack London   | £1.25p |

Send cash with orders and please add 10% for postage.

WRITE FOR COMPLETE BOOKLIST

order from

**WORLD BOOKS**

375 Cambridge Heath Road

London E2 9RA