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ANALYSIS

POLITICS • SOCIETY • THEORY

BANKRUPT BRITAIN

The Economic Crisis
The End of Cowley Man
The Road to War
The Re-Making of the
English Working Class



BRITAIN

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SPECIAL ISSUE

THAT SINKING FEELING

As we go to press the embers of Windsor Castle are still smouldering. Though of little direct importance to the working class, the fire is a fitting example of this issue's theme, bankrupt Britain. Fire alarms failed to operate. The castle's own fire brigade was hopelessly under equipped. Seven fire-fighters crammed onto a small fire-tender with one pump, leaving a second pump behind. The other tender was not available, so eight fire fighters had to run half a mile in full gear. "The fire could have been confined early on if the gear was available" - said one belated fire fighter. Meanwhile the local entrepreneurs have turned their hand to making profits out of collapse. Graeme Menage, an artist, is selling a picture of the blaze for 85 quid, a snip, and the local pub is selling bits of wood marked 'Genuine Castle Debris'.

Not having the right gear and parasitism are at the heart of the crisis of the British economy. Section 1 of this special edition argues that Britain faces an objective crisis and not a crisis of policy. A refusal to recognise this can only lead to utopian schemes and a dependency on the kindness of politicians. The bankruptcy of the economy is matched only by that of the existing 'official labour movement.' Section 2, 'The End of Cowley Man', exposes many of the myths which sustain British Labourism and argues that trade unionism as a political strategy is dead. Section 3, deals with the liberal hope that the social and human consequences of two world wars, and the nuclear threat, will prevent economic rivalries developing into war between Western nations.

Finally, 'The Re-Making of the English Working Class' argues that the structure and politics of the existing labour movement is a product of its adherence to the social policy of imperialism and that inter-imperialist rivalries will increasingly be the dominant feature of 'domestic' politics. Jingoism and aggression are the biggest threats to working class politics, but the struggle against the 'party of war' also offers the working class the opportunity to re-make itself.

This edition of *Analysis* has been produced as a special issue in response to recent events. Articles announced in our promotional material will be published in the next edition.

We wish all our readers, supporters, all the people who helped and gave us money, and our printers a very happy Christmas

ANALYSIS

Analysis is an independent Marxist journal which is not affiliated to any party or organization. The publication aims to provide a Marxist analysis of politics and world events. Its long term aim is to contribute to a revival of revolutionary Marxism. Contributions, comments and letters are welcome.

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1.

BRITAIN'S ECONOMIC CRISIS

Readers who have seen *Alien 3* will have some idea of the atmosphere which dominates the British establishment; a bunch of very frightened men stranded on a doomed, dilapidated planet, faced with a relentless and ruthless enemy, and not much in the way of effective weaponry. With Thatcher gone, Britain does not even have a heroine figure like Sigourney Weaver to provide 'backbone'.

The dimensions of Britain's economic crisis now dominate the most trivial every day discussions. It is not simply a case of 'policy crisis' or cock-ups such as the fiasco which surrounded sterling's exit from the ERM, but a developing slump in economic activity. More than two years since the downturn began, total output has fallen by more than 4% and there is still no sign of recovery. This is worse than it sounds. Considering population growth and productivity, the economy has to grow by 2% per year just to keep up. An increase of only 0.1% in output is certainly no 'upturn'. 75 companies collapse every day, and a hundred are declared bankrupt. At this rate over 10% of existing businesses will disappear each year!¹ Every month 50,000 more people find themselves on the dole. The recession also plays havoc with the finances of ordinary people. A million and a half home owners owe mortgage debts larger than the value of their homes and total personal debt now exceeds total annual disposable income.² Caught in a fiscal trap government finances fare no better. The recession has hit tax revenues and boosted spending on social security benefits. Government borrowing has soared to an all-time high of £37 billion and could easily top £45 billion in 1993-94 - a level which exceeds Britain's 'overdraft' limit.³ Chancellor Norman Lamont has abandoned looking for 'green shoots' or planting any. It was no surprise that the Autumn Statement's 'recovery programme' did not include more government spending.

Economic crises, and particularly declining rates of profitability, have been an inherent feature of capitalism since its inception and have dominated the development of the world economy for much of the 20th century. A comprehensive analysis of British capitalism which avoided the pit-falls of cultural explanations or British uniqueness would have to be based on an understanding of such tendencies. However, since the purpose of this special issue is to deal with the specific problems of Britain's present economic and political crisis as they affect the working class, and to stimulate a discussion which has failed to take place, a more general and theoretical treatment would be inappropriate here.⁴

THE HIGH ROAD TO DECLINE

Essentially, the problem of the British economy is that since the turn of the century it has been stuck in a low investment, low productivity trap compared to other major capitalist economies. This was a consequence of the fact that Britain was the first capitalist economy to industrialise.

During the 'glorious epoch' of industrialisation in the first half of the 19th century, Britain was favoured with a vast commercial empire and its position as the 'workshop of the world'. The goods just rolled out and the cash rolled in. Unlike its European counterparts, this unique position generated massive profits, allowing British companies to develop on the basis of self-financing rather than having to rely on the banks or on state intervention for investment. For example, so lucrative was British trade in the Far East that the P&O shipping company was able to build up a vast merchant fleet without relying on credit or issuing shares. The 19th century was also a period of relative peace because other Western countries were keen to buy British machinery and use British credit to develop their growing economies. This 'golden age', the mythology of which is still part of British political culture, came to an end during the last two decades of the 19th century. By the 1890s some sectors of American and German industry had already surpassed Britain in sophistication, productivity and output.

Nevertheless, Britain was able to maintain some of the advantages gained from being the first to industrialise. Having amassed enormous profits through industry, commerce and the plunder of its colonies, Britain was well placed to resist foreign competitive pressures through the development of its financial sector. The example of railway development in Latin America is illustrative. At the turn of the century the United States was producing locomotives which were cheaper and better specified than those made in Britain. American locomotive makers used standardised engineering techniques and rationalised production methods. By contrast, every British locomotive company had its own engineering culture. However, Latin American railway projects also needed large amounts of long-term credit. Being a net debtor country at the time, the United States was in no position to extend finance, so Latin Americans were forced to 'buy British' if they wanted credit.

In addition to its financial power, Britain also had an Empire. This played a key role in protecting its manufacturing industry from foreign competition, providing it with lucrative and captive markets, even as it lost ground in the broader world market. However, the net effect of such 'advantages' was that industry became insulated from the need to innovate and introduce new production techniques.

This explains why Britain has been able to survive as a major power for so long. It also highlights the vulnerability of British capitalism to world economic events which increasingly, as its economic lead diminished, came to fall outside its sphere of influence. While Britain retained captive imperial markets, or the growth of the world economy created a demand for British credit and financial expertise, it could continue to allow its industry to decline. When the world economy got into trouble and its empire came under pressure,

there were precious few domestic resources to fall back upon.

This has meant that the history of the British economy in the 20th century is a history of lucky breaks and living off 'old wealth'. But if they explain why Britain has been able to survive in the past, they are now the reason why it cannot pull out of the present slump. As we shall see, the accumulation of unresolved problems has hit the British economy at the worst possible moment: a time of world depression.

BRITANNIA RULES, INDUSTRY WAVES

Given the availability and quality of resources and labour, *productive technology* is the key factor governing rises in productivity and is therefore the basis of competitiveness. In the early 19th century, British productive technology was far superior to that of its competitors. Being able to produce goods far cheaper than average world prices meant that British industry could reap exceptional profits. This advantage was soon lost once other nations industrialised. Not only did they produce their own goods but they made them with the most advanced technology. By the 1890s, Britain was beginning to be lumbered with a lot of out-of-date industrial capacity.

Structure of industry

As the world economy develops, the composition of industry also changes. At the turn of the century, the structure of British industry was dominated by the industries of the past. Textiles, coal mining, iron and steel and general engineering accounted for 50% of output and 25% of employment. Coal mining, textiles and iron and steel alone accounted for 70% of export earnings. By then, Germany, for example, had already established the industries which would dominate the first half of the 20th century: electrical engineering and chemicals. Germany also invested in technical schools, polytechnics and universities so that it could keep up with, and lead, developments.

A nation faced with such a problem *should* scrap its old machinery and undertake a costly modernisation programme. Unfortunately, it is not easy for businessmen voluntarily to write off their older plant and spend large amounts on new machinery, especially when past super-profits and protected imperial markets rob industry of the impetus to innovate. *Vice versa*, the same factor helps to explain the rapid advances of the Japanese and German economies.⁵ Saturation bombing during World War Two largely wiped out the old industrial infrastructure of these countries and left them with little choice but to re-industrialise and adopt the most up-to-date technology. Having no privileged markets, and deprived of colonies, they were also forced to innovate constantly so as to improve their competitiveness.

It took Britain until the early Sixties even to begin to catch up with these developments and to consider modernising its industry. However, by then the world economy's structure had had shifted again. Japan was already developing its mass-produced, high-quality, consumer durables industry.

Closing down one sector of the economy and developing another is a costly and long-term business which a country with a privileged world position and with the possibility of making profits through financial speculation is not encouraged to undertake. Table 1, which compares the growth of manufacturing productivity in major countries, indicates the impact of these factors in the post-war period.

Table 1:
Output per Hour in Manufacturing Industry
(based on UK = 100 in 1979)

	1965	1979	Average yearly increase
UK	54	100	4.5%
US	131	214	3.6%
Japan	27	133	12.1%
Germany	64	173	7.4%

Source: Nigel Lawson, *The View From No 11*, Bantam Press 1992.⁶

In 1965, British manufacturing productivity was already lagging behind that of Germany, where output per hour was 19% higher. British productivity was twice that of Japan, but less than that of the United States which retained a clear lead. By 1979, British productivity was increasing at a fairly rapid pace, ahead of the US, but well below the rates of increase of Germany, which surpassed the UK by 73% and Japan by 33%.

... THEN SLOWLY SINKS

It is possible to characterise each decade in the post-war period as a different phase of Britain's attempt to come to terms with the fundamental weakness of its economic structure.

Britain's economy should have suffered a fatal blow immediately after the war. By 1945 it had acquired massive war debts. In 1951, for the first time in its history, Britain owed more than its entire external assets could repay.⁷ Its industries were also exhausted after 5 years of working flat out on defence production with little new investment. The United States insisted on ending the protectionism of the Imperial Preference Area and colonial unrest made a redefinition of imperial relationships inevitable.

Yet, luckily, America's newly acquired global empire gave Britain a new lease of life. By 1947, America had realised that it could not run the show without Britain. In return for acting as America's bailiff, Britain retained most of her imperial privileges and could count on a powerful guarantor for Sterling. The backing of a powerful uncle allowed Britain to tame the early radicalism of national liberation movements and to develop the idea of 'combined development' - combined, that is, with the interests of a former colonial power.

Commonwealth development held out the promise of economic regeneration. Britain would provide the ex-colonies with credit, machinery and 'good advice' in return for cheap raw materials, food and consumer goods. Commonwealth markets took 45% of British exports, despite the boom in other areas of the world market. The long post-war boom also created a demand for financial services, and by the end of the 1950s the City was back in business. At home a 'consensus' was hammered out between 'industry' and the working class. In return for the benefits of a welfare state, the working class would commit itself to industrial stability and progress.

In the mid-1960s this rosy scenario started to fall apart. Spending on the Vietnam War and the relative decline of the American economy led to an all round attack on the Dollar. By 1967 the US was in no position to defend Sterling. As the

Pound wobbled on the currency exchanges it became less attractive as an investment vehicle. The US refused Britain a loan to prop up sterling and the UK was forced to devalue by 14%.

The foreign investors on which the City depends started to stay away and British corporate capital also started to migrate to better pastures. As the long post-war boom slowed down, the prices of the commodities on which the ex-colonies depended went into decline. Commonwealth countries started to go into debt, their development projects faltered, and their demand for British goods began to shrink. Since the government did not have the funds to invest in colonial development, and British companies were not going to pour money into risky markets when they could get a better and safer return in the US or Europe, it became obvious that reliance on the Commonwealth was going to be a dead-end strategy.

As the economy began to sputter, the unions became increasingly militant. Curbs on wage increases and rising unemployment had not been part of the bargain. Absenteeism, demoralisation and strikes hit production and impaired competitiveness. Meanwhile, the Japanese and German economy raced ahead with average annual growth rates of 10.5% and 4.5% in the 1960s. The British economy languished at 2.9% annual growth - high by today's standards, but well below that in the emerging competitor countries.

WHITE HEAT

The first attempt to reverse this situation was Harold Wilson's 'White Heat of Technology'. Announced in 1963, it became the flagship of the Labour Government which came to power the following year. In essence it was an opportunist scheme to use the superiority Britain still had in some areas of technology to transform the productive structure of industry (Ronald Reagan was to try a similar trick with the 'Star Wars' initiative in the 1980s). As competitiveness was raised - the argument went - Britain would reduce its dependency on the Commonwealth and start to penetrate the European market. Overseas defence spending was significantly reduced and State planning was to play the leading role in regenerating and reorganising industry. The policy was coupled with an attempt to convince the working class of the need for temporary 'wage moderation' in return for the fruits of future growth. The union leadership would also get a slice of the 'economic planning' action.

This 'leap-frog' strategy proved to be pie in the sky. British high-technology, much of it related to the defence industries, was no substitute for serious investment in new factories to produce goods better than Britain's competitors. The Concorde project illustrates this point well. It started as an attempt to use expertise gained in military aviation to get back into the civil aircraft market with a product so distinctive that it would not have competitors, and ended up as a 'white albatross'. Though it was technically a success (producing a jetliner capable of breaking the sound barrier) and captured the imagination of a generation, it was an economic disaster. Meanwhile, America continues to dominate the civilian aviation market with standard airframes whose fundamental design principles go back to the 1950s. The Jumbo Jet, which is basically a large 'standard airframe', has transformed the civil and commercial aviation business by recognising that the basic requirement of the market was to cheapen air travel by dramatically increasing passenger carrying capacity. Boeing's Seattle plant knocks them out on an assembly line while British Aerospace makes Concorde like hand-made

By the early Sixties it became obvious that reliance on the Commonwealth was going to be a dead-end strategy

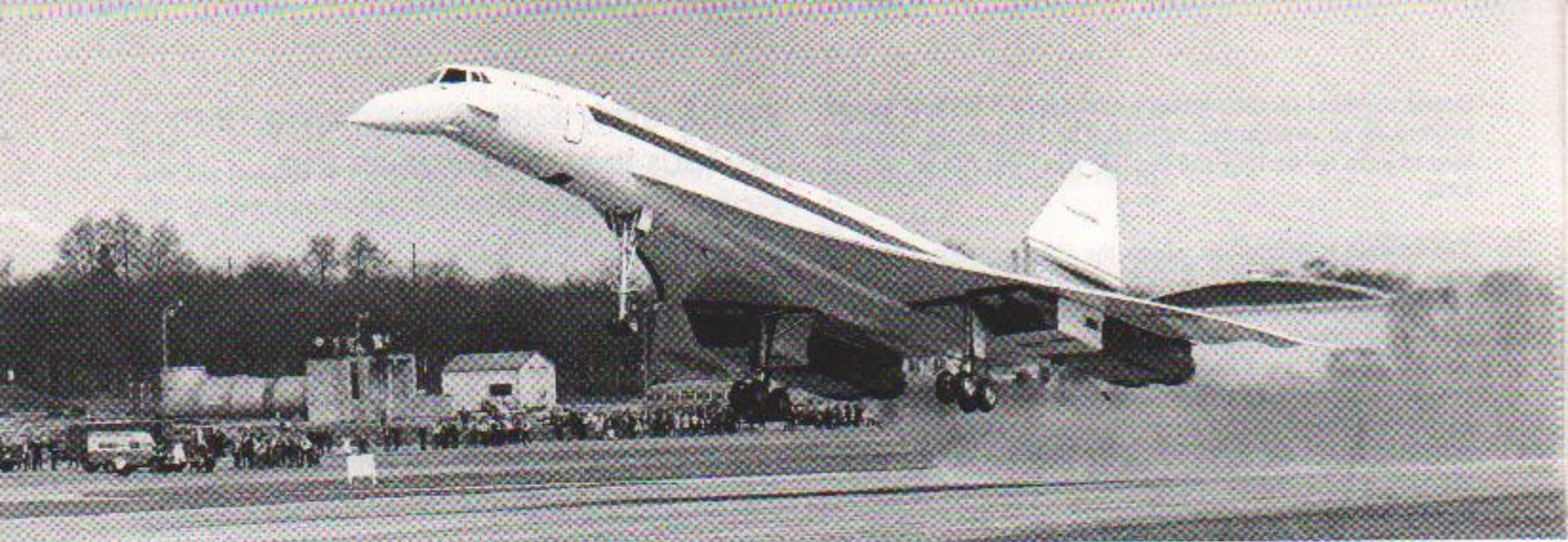
Rolls Royces. The 1960s and 1970s are littered with such schemes.⁸ In conclusion, the attempt to use an advantage in one aspect of the British economy served only to postpone the fundamental changes necessary at its heart.

Following Labour's defeat in 1970, the poisoned chalice passed to Edward Heath. The Heath Government of 1970-74 knew its priorities. It understood that get-rich-quick schemes and gimmicks would not work, and that while state intervention could help, it could not provide the main stimulus for change. The state could only seriously attempt to do two things; a) to boost capitalism's confidence by preventing working class resistance to change and b) to try to force business to confront a harsher market environment. The first objective was to be implemented through confronting trade unions, the second through opening up the economy to competition from Europe.

Heath's ill-fated Industrial Relations Act was an attempt to restructure the state's relationship with the working class in recognition that the world on which the post-war consensus had been based had disappeared for ever (something the Left refuses to recognise to this day). A real industrial renaissance would require a serious and long term investment commitment. This would only occur if the state could ensure an obedient working class, as enjoyed by German and Japanese capital. The Act attempted to impose an excessively rigid, narrow and elaborate legal framework for trade union activity which proved unworkable in practice. However, if Heath failed, it was only because the British *bourgeoisie* was not ready for a show-down.

Regarding Europe, Heath was more successful, ensuring Britain's entry into the European Economic Community. It is of contemporary importance to understand that Heath's insistence on Europe has little to do with self-justification or the 'europhilia' of which he is often accused. Heath's commitment to Europe stems from an intensely nationalist preoccupation which understands, perhaps better than any other contemporary politician, that the impulse of European competition was British capitalism's last chance to regenerate itself. While a handful of top corporations took the European markets seriously, the majority of British business did not.

British high-technology, much of it related to the defence industries, was no substitute for serious investment in new factories to produce goods better than Britain's competitors. The Concorde project illustrates this point well. Though it was technically a success, it was an economic disaster.



• Flights of fantasy. Britain's attempt get back into the civil aviation market with high technology never really took off.

Nevertheless, the chill winds of competition turned out to be more bracing than expected. As companies which could not compete in the new environment went bankrupt, Heath abandoned his policy of not rescuing 'lame ducks' and stepped up state aid to industry in a famous 'U-turn'.

The return of a Labour Government in 1974 marked a return to utopianism after the harsh realities of the previous years. There were more schemes to find a way out of the crisis and secure the compliance of the trade union movement: the Social Contract, planning agreements and the National Enterprise Board. But it did not only have plans, it also had what looked like hard cash: Black Gold. The build-up of oil and gas production from the North Sea promised massive revenues and resources which the Government could use in an unprecedented opportunity to regenerate industry. It came to nothing. Oil and gas production may have been very profitable for the energy companies, but little else was. Between 1974 and 1979, output from the energy and water supply sector of the economy almost doubled while manufacturing output fell by 3%.

By the last years of Jim Callaghan's Government, Denis Healey, the Chancellor of the Exchequer, became a monetarist without knowing it, and Labour Party policy was reduced to implementing savage cuts and a ham-fisted attack on the working class.⁹ That these measures prompted a strike wave was not surprising. However, the union militancy which marked the 1974-79 Labour Government did not represent a new wave of radicalism, as the Left believed. It was a last-ditch attempt to rebuild the consensus of the 1950s. The 'organised labour movement' was simply reacting to what it saw as a betrayal of those principles, as it had done during the late 1960s. It has been stuck in this groove ever since. The failure of the Labour 1974-79 government to revive British capitalism set the scene for the Margaret Thatcher 'revolution'.

THE THATCHER 'MIRACLE'...

Much has been made of the Thatcher philosophy, her admiration for free-marketeer Friedrich Hayek, her friendship with self-styled *homme d'idées* Keith Joseph and the inspiration of the monetarist economist Milton Friedman. This is beside the point. Thatcher's brutal attitude to the working class is consistent with the very heart of capitalism. It was post-war welfare liberalism which was exceptional. Thatcher's 'world view' has always been 'mercantilist' rather than 'free-market' and is an extension of a narrow individualist philosophy of world affairs which requires no tutoring. Thatcher's main advantage was that her policies were unhindered by the 'the-

ories' and 'ideas' of the Oxford political set which traditionally dominated *bourgeois* post-war politics, and which were very much the product of past failure and defeat. As such she was well-qualified to assert the primacy of *bourgeois* rule and the naked arrogance of money.

Thatcher understood that business would only take investment seriously if the working class can offer no opposition to the conditions it had to impose to make investment profitable.

'Thatcherism' was essentially based on two ideas. First, that business will only be forced to invest if it is turfed out into the cold. Whereas Edward Heath hoped that the prospect of a European market would be able to exert a disciplining effect on British industry and entice it to rejuvenate, Thatcher understood that by the 1980s it would require a much larger jolt. Any attempt to stimulate change through government aid would only be used to postpone change. Kicking away the crutches, and forcing industries to sink or swim, was the only way. Secondly, that business will only take investment seriously if the working class can offer no opposition to the conditions it had to impose to make investment profitable. The state's role was to impose a conclusive and definitive defeat, and to constantly remind the working class of it. Thatcher understood that the 'power of the unions' rested on nothing more than *bourgeois* fear of dispensing with consensus politics and the state's willingness to give them a role. The 'Winter of Discontent' in Labour's final year had done much to engender a new mood. Thatcher simply rammed home the policy consequences. Though the recession of 1979-81 helped with a sharp rise in unemployment and the collapse of industrial output, Thatcher was quick to press home the advantage and show that she meant business. A trade union movement built on decades of consensus politics, subservience and bluff bravado gave way at the knees.

In sum, austerity and market discipline for both failing companies and the working class were seen as the strategy to ensure a business revival. This was Thatcher's greatest contribution to British capitalism.

The results were quick to make themselves felt. As Professor David Metcalf, an economic adviser to the Labour front

Picking through the ruins and the rubble of today's economic crisis it is easier to realise that there was precious little that was miraculous in the performance of the UK economy during the 1980s.

bench, pointed out "in the last seven years [1981-87] labour productivity growth in manufacturing has averaged almost 6 per cent a year, more than double the rate achieved in the previous 20 years. The reformation in industrial relations is paramount in explaining this transformation in economic performance. The climate of industrial relations has been altered by fear, competition and centralisation of collective bargaining."¹⁰

The trade union movement was in no position to answer such an attack. Having developed as the collaborative appendage of a stagnant capitalism, it was not exactly in a position to offer a viable alternative when that capitalism was undergoing shock treatment. Outflanked ideologically and under constant fire from determined opponents, it focused its attention on defending stagnant and backward practices rather than educating the working class to fight for its rights. When it was gross overmanning, restrictive practices, corruption, 'demarcation', differentials and absenteeism versus the ruthless logic of salvaging capitalism, it was bound to lose. By getting rid of such practices, and re-imposing the 'management's right to manage', British capitalism was able to boost profits. After a real fall of nearly 7% in profits in 1980 and 1981 as the economy went into recession, gross trading profits rose by 30% in real terms in the next four years.¹¹

THE EYE OF THE BEHOLDER

Did the Thatcher years represent a 'miracle' for British capitalism? Picking through the ruins and rubble of today's economic crisis it is easier to realise that there was precious little that was miraculous in the performance of the UK economy during the 1980s. Yet there were also signs throughout the 'miracle years' that all was not well.

A first, and rather obvious, cause for alarm was that the recovery of productivity and profits was occurring at the same time that output and employment in manufacturing was declining. Between 1981 and 1990, productivity in manufacturing rose by a massive 47%! However, employment fell by 15%, so that output only rose by some 30%.¹² Throughout Thatcher's 'miracle', the number of manufacturing jobs only

"The British productivity surge of the 1980s... owed little to greater investment in plant, people or research but came rather from more efficient use of existing factors of production and a shake-out of the inefficiencies which had accumulated in earlier decades." Pofessor Nick Crafts

rose in two years, in 1987 and 1988, and then only marginally. From the bottom of the 1979-81 recession to the peak of the boom in 1989, some 900,000 jobs were lost, reducing employment in manufacturing to less than 5 million.

Output, productivity and employment data are backed up by statistics for investment and the capital stock. From 1981 to 1991, investment in industry did recover, but the real value of the capital stock in manufacturing rose by just 1% per year.¹³ In other words, Thatcher's austerity measures were raising labour productivity, and the collapse of less competitive companies were raising the average productivity of those remaining, but they were not generating enough new investment on which to build up production capacity. Professor Nick Crafts has summed up the Thatcher productivity boom in the following terms, "the British productivity surge of the 1980s... owed little to greater investment in plant, people or research but came rather from more efficient use of existing factors of production and a shake-out of the inefficiencies which had accumulated in earlier decades."¹⁴

In other words, the productivity gains in the 1980s largely depended not upon investment in new techniques of production, but on cutting out inefficient capacity and increasing the exploitation of the workforce. Other data on investment and employment bear this out. First, the share of investment as a proportion of all domestic expenditure *did not rise in the 1980s* compared to the 1970s. The average share in the 1970s was 18.9%, a figure which dropped below 17% during the 1980s, and only reached 19.3% in the final year of the boom in 1989, before falling back sharply again.¹⁵ Second, employment data show that both the average hours worked in the UK (in all sectors of the economy) are the highest in the EEC,¹⁶ and that an extraordinarily high and increasing number of people work on shifts or at weekends.

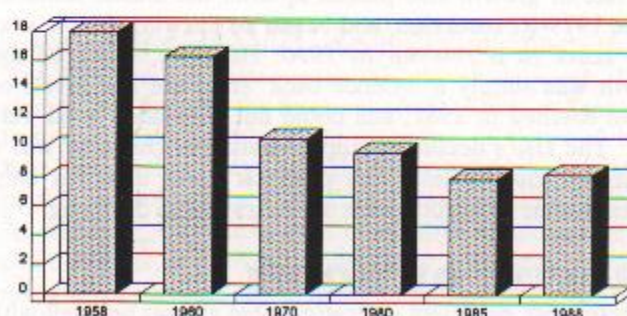
Table 2
Weekend Work and Shift Work
In millions and as % of total labour force.

	1985	1990
Weekend working	10.5	44.3%
Shift work (including nights)	3.3	14.0%

Source: *Social Trends*, No 22, 1992, Table 4.19.

This source of profits enabled British capitalism to slow its rate of decline in the world economy, but it did nothing fundamentally to alter its position. As Christopher Johnson has noted, services and not manufacturing picked up much of the investment after the 1979-81 recession.¹⁷

Chart 1
UK % OF WORLD MANUFACTURING TRADE



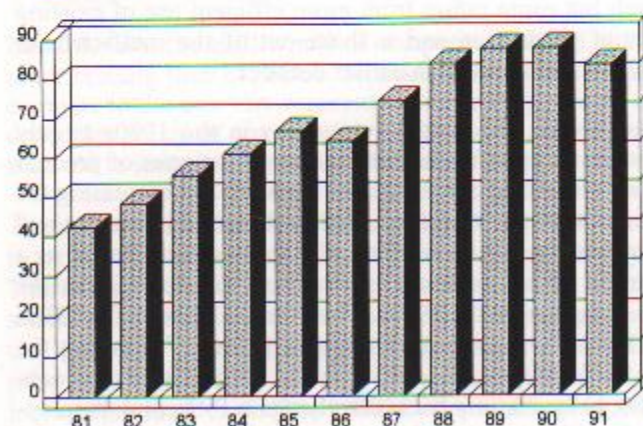
Source: *The Economist*

Though new manufacturing investment did take place it never reached the level that could have made a qualitative difference to Britain's international competitiveness. The 'once-only' windfall of the 1981-86 period was gambled away in all sorts of speculative ventures. Britain's share of world manufacturing trade continued to decline.

The ultimate reason for these failures were declining profits. While higher in absolute terms, owing to the 'Thatcher revolution' (Chart 2), profits were still at a level which gave rates of return on capital well below those enjoyed in other major countries (Chart 3)

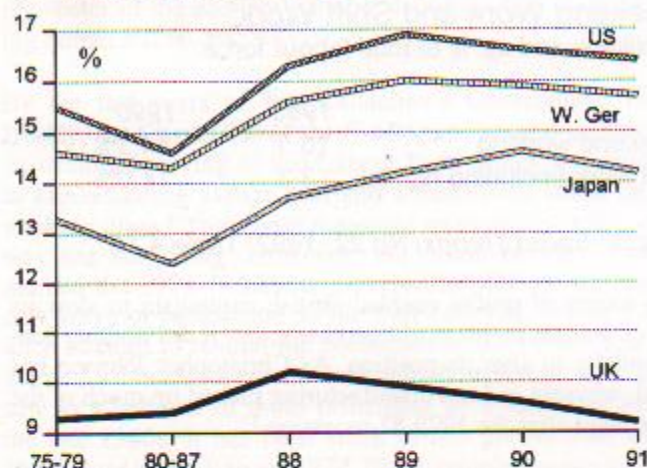
Chart 2
PROFITS EARNED BY UK COMPANIES

£ Billions



Source: Bank of England.

Chart 3
RATE OF RETURN ON CAPITAL IN THE BUSINESS SECTOR



Source: OECD, *Economic Outlook*, June 1992 T.58

The rate of growth also picked up after the drastic setbacks of the 1979-81 recession, and began an upswing for the next nine years in a row up to 1990. However, much of the growth was simply a 'bounce back' from the low levels of output reached in 1981, and could not be pushed much further. The UK's declining output relative to Germany was a feature of the whole of the post-war years and was only reversed after 1981 for five or six years before declining.

PROFITS OF DOOM

So there were sufficient indications that all was not well with the British economy to any who bothered to look at the figures. In 1985 the House of Lords produced a study of Brit-

So there were sufficient indications that all was not well with the British economy to any who bothered to look at the figures. But far from fretting at Britain's decline the British ruling class celebrated the early victories over the trade unions with an orgy of speculation and triumphalism.

ish industry, the Addington Report, which expressed grave misgivings about what was happening in manufacturing. The report was generally dismissed (including the *Financial Times*) as having an old fashioned fixation with manufacturing. It did not matter what a country produced, whether manufactured or financial products, as long as they had a market, argued Samuel Brittan. Far from fretting at Britain's decline, the British ruling class celebrated the early victories over the trade unions with an orgy of speculation and triumphalism. As companies started to play the money markets, income from rents and non-trading sources rose sharply in relation to profits from domestic trading, from 13.9% in 1981 to 18.0% in 1990.¹⁸

Today, much criticism has been heaped on 'Yuppies', 'Loadsamoney' and other characters of the boom period. Yet they are no more relevant in explaining what happened during the 1980s than the hippies were to peace and love during the 1960s. More fundamental factors helped create the speculative boom of the 1980s.

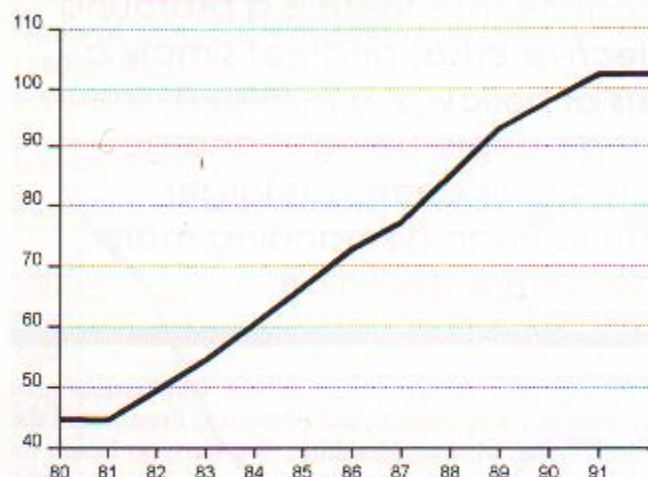
PRIVATIZATION

During the 1980s, state asset privatisation sales yielded a massive cash bonanza of £60.6 billion (£29.2bn from privatisations and £31.4bn from sales of land and buildings).¹⁹ This allowed the Government to cut borrowing drastically. The Public Sector Borrowing Requirement (PSBR), excluding the above revenues, dropped by 60% to £104 billion over the same period.²⁰ In the money markets, cash which would normally be invested in government securities started to chase other investments. Asset sales also financed income tax cuts, particularly for those on high incomes, which in turn promoted financial intoxication. Money was drawn into the stock market and share prices soared, egged on by the sale of state assets at knock-down prices. Lower income tax cuts increased disposable incomes. Government finances had also turned into a surplus by 1987-88 as tax revenues were boosted by a surge of spending as people felt rich.

A consumer spending spree, based on credit cards, bank loans and huge mortgages, got under way. In the late 1970s, when the credit system was regulated, personal outstanding debt was only around 45% of annual personal disposable income. By 1990 it was 100%.

Financial deregulation, which affected not only the City but all sections of the economy, was a complement to the government's strategy. In 1979, foreign exchange controls had already been lifted, allowing the City to operate more freely as a centre for the international financial market. In 1985-86, the 'Big Bang' lifted restrictions on the activities of banks and securities houses. Foreign institutions poured capital into

Chart 5
PERSONAL DEBT
As a % of Disposable Income.



Source: CSO.

the UK to take advantage of the unregulated environment for their operations. As manufacturing industry's share of total employment dropped 31.3% to 22.5% between 1979-1990, employment in banking, finance and insurance rose from 7.1% in 1979 to 12%.²¹ Financial services also grew as a proportion of the economy from 17.7% to 21% of GNP, almost as big as manufacturing industry!²²

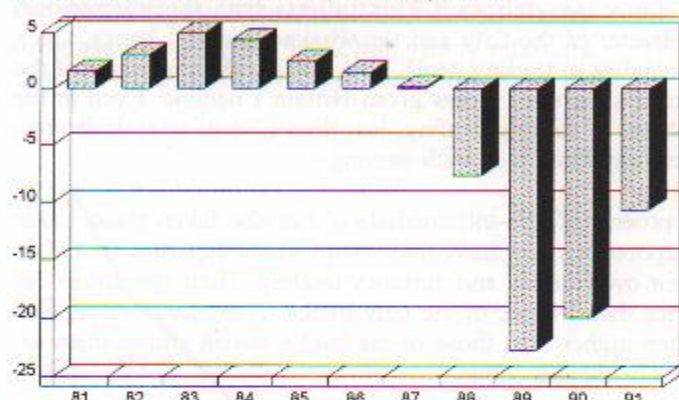
MERGER MANIA

In 1984-86 a 'mergers and acquisitions' craze got under way. By 1987 some 1500 companies per year were being acquired.²³ Instead of investing in new plant, a company can raise its 'profits performance' by buying another with past profits and credit. The business activity of the two companies can be co-ordinated to make savings. Surplus resources such as land or certain parts of the business can be sold off to repay some of the borrowed funds. Although such rationalisation will make the merged firm more competitive, productive technology can remain the same. As the corporations of other countries also engage in mergers and rationalisations, the short-term gains are soon lost. The mergers and acquisitions boom was based on the mistaken calculation that the profit rates generated by the 1981-86 shake-out of labour would continue into the future and so pay for the borrowing costs of acquisitions. But since *labour productivity* cannot be raised indefinitely without investment in new technology and plant, a shortfall would eventually occur. In addition, as the speculative boom got under way, interest rates started to rise. Corporate profits also went abroad, particularly to the United States, where a similar mergers and acquisitions boom was under way. The result has been a large amount of corporate debt. As the financial boom got under way it raised the price of office space and so generated a commercial property boom. By 1987 company financial deficits began to appear. Companies could not afford to finance investment after paying share dividends and interest on bank loans! The financial deficit was a massive £22.7bn in 1989 - a boom year! - and was reduced in 1991 by cutbacks in investment (among other things).

THE CITY

An enduring theme of all Left politics and 'alternative economic strategies' has been the obsession with the City. This is seen as an 'off-shore' economy populated by parasitic and unpatriotic financiers feeding off a healthy 'real' economy.

Chart 6
CORPORATE FINANCES
Surplus and Deficit (in £Billions)
of Industrial and Commercial Companies



If in fact, British commercial and merchant banks are small by international comparison and have few resources of their own. Their financial power has always rested on their access to the vast pool of funds provided by corporate capital and corporate pension funds, and includes the municipal funds of Left-wing councils and trade union investments. The short-termism of 'the City' is the short-termism of British capitalism, which is why the 'Industry-City' argument has always been a sterile debate.

Far from luring away the investment funds of industry or 'creaming off' its profits, the City plays a vital role in compensating for the declining profitability of British industry, without which more of it would have emigrated. Since the

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rise of the City in the late 19th century, the fundamental trend has been for capital to be ejected by declining profitability in industry, not to be attracted by the City. The idea that turning off the financial profits tap would somehow force British capital to invest at home is therefore nonsense. Only a fundamental change in political power would give a government the instruments to force business men to invest where they did not want to. But this is a contradiction, since a government born of such conditions would preside over an economy with very different problems and priorities. What has finally killed the 'Industry-City' debate has not been 'facts' but the world economy: Britain's financial services industry is in terminal decline.

A number of factors are contributing to the City's decline. The City's main customer is the global economy. If this slumps, the demand for financial services also collapses. Information technology and the extension of financial know-how and practices have brought many more players into the market and robbed the City of its 'bread and butter' services. At one time, most insurance companies would hedge their commitments at Lloyds. Today they can find security in many other markets and in many other forms. Lloyds is now relegated to the specialist insurance end of the market and even here it is being challenged.

A survey of the foreign exchange market in London in the current Bank of England Quarterly Bulletin (November) shows that UK banks have only a 20% share of the volume of forex transactions.²⁴ This reflects both the international character of the City and the weakness of UK banks which specialise in sterling deals, now a relatively minor part of the world's currency flows given Britain's decline. Even in the 'home' of sterling dealing, less than 25% of total deals done have anything to do with sterling.

A process of 'dis-intermediation' has also taken place. Large corporations now have their own finance departments and do their own money and currency dealing. Their operations can often dwarf those of the City banks. Their credit ratings are often higher than those of the banks, which allows them access to cheaper funds.

But the fundamental factor undermining the City's privileged position has been the emergence of other major financial powers, particularly Japan and Germany. The attempt to compensate for a declining industrial position with financial services could only work for a limited amount of time. Once other countries developed powerful economies they too would have accumulated the financial resources to become players themselves. Japan is the classic example. Since companies will often do business with banks of their own nationality, where possible, the decline of UK corporate power has also had an effect on the power of UK banks. German and Japanese banks now service the largest number of big world corporations in international markets.

Though the City is still a very important market, and will remain so for some time, the idea that it could retain its dominance through a financial expertise build up over decades has not proved to be the case. In the end the brute force of large funds will hammer a way through. British financial expertise can also be bought by new countries with plenty of cash.

It was with these factors in mind, and not Thatcher's free market philosophy, that the Tories undertook a liberalisation of the financial markets. The point was to secure the UK as an area where international finance undertook its transactions, helping the UK to live off such 'invisible' earnings, even if the more visible earnings of productive activity were harder to come by. The Big Bang of 1986, often blamed for having created too much credit and thus too much debt, if anything forced a reluctant City to surrender its archaic privileges and open up its market. That it produced the greatest level of delinquency in British financial history was not the product of its greed but fitting comment on the state of British industry.

The net outcome of the Thatcher experiment is that not only did it fail to alter the international competitiveness of British industry, and not only did it fail to secure the City as the world's second financial market, but that the fictitious nature of its 'miracle' has left so much banking, corporate and private debt, and such a weak industrial structure, that it is no position to weather the slump.

THE POLITICS OF THE BEGGING BOWL

Every stripy shirt in every City bar has a strategy for getting Britain out of the slump, "If only the government did this, if only the government did that". The annual conference of the Confederation of British Industry in November witnessed

The biggest problem facing the working class is the refusal to recognise that there is a profound **objective crisis**, and not simply a **crisis of policy** or a matter of the wrong people being in charge. Such a crisis demands larger solutions than demanding more government spending.

cries of anger and despair from business. One businessman complained of the egotistical, self-promoting President of the Board of Trade, Michael Heseltine, 'we have no board, no trade, just a bloody president!'. Another remarked that if the government's manifesto for the April general election had been a company prospectus, its inaccuracy 'would have had the entire Cabinet in jail'.²⁵ The *Sun* has described the Cabinet as 'vegetables' and regularly demands the dismissal of ministers. Indeed, public debate has now been reduced to finding someone to blame; Lamont, Major, Lawson, Thatcher, the CBI, house buyers, Delors, Kohl. Well, at least the working class isn't getting the blame.

Amid the hysteria and recriminations utopian thinking has increased. The government's humiliating abandoning of the ERM in September was proclaimed a victory. Britain was now free to pursue her own recovery policies. Within a week, optimism turned to deep pessimism as the consequences became clear. After all, ERM membership was supposed to have placed Britain at the heart of European decision making. Pessimism turned to hope as the government was rumoured to have abandoned Thatcherism in favour of a return to Keynesianism.

Chancellor Lamont's Autumn Statement heralded as a turning point, the much-hyped statement offered only a range of gimmicks, from the abolition of a special tax on car purchase, to a 1% interest rate cut, to a £750m fund for the government purchase of 20,000 unsold properties. As a small increase in capital spending programmes is financed by savings from a 1.5% ceiling on public sector pay rises, this will clearly do little to reverse the decline. As a *Financial Times* editorial commented, 'a recovery which will feel like a recession, coming after a recession that feels like a depression'.²⁶

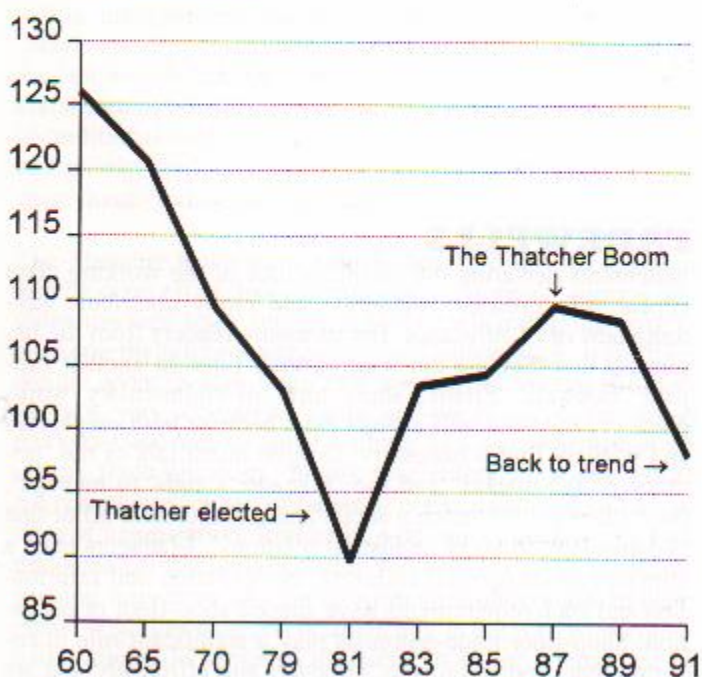
But if the ruling class is now condemned to little more than bouncing day to day between deep pessimism and utopian optimism, from lashing out at ministers to abstract prescriptions on 'what should be done', the response of the official labour movement is no better. The biggest problem facing the working class is the refusal to recognise that there is a profound **objective crisis**, not simply a **crisis of policy** or a matter of the wrong people being in charge. Such a crisis demands larger solutions than demanding more government spending. The Tories do not have a pile of Treasury money stashed away somewhere which could be 'released' to fund a rescue programme for the economy. The way government finances are going already, Britain will soon risk the loss of its triple-A credit rating.²⁷ There is no basis for a 'Keynesian' U-turn in policy, which is why the government simply comes up with gimmicks to gain time. Only self-delusion and ignor-

The writing on the wall...

Ratio of U.K. GDP to GNP in Germany

1980 = 100

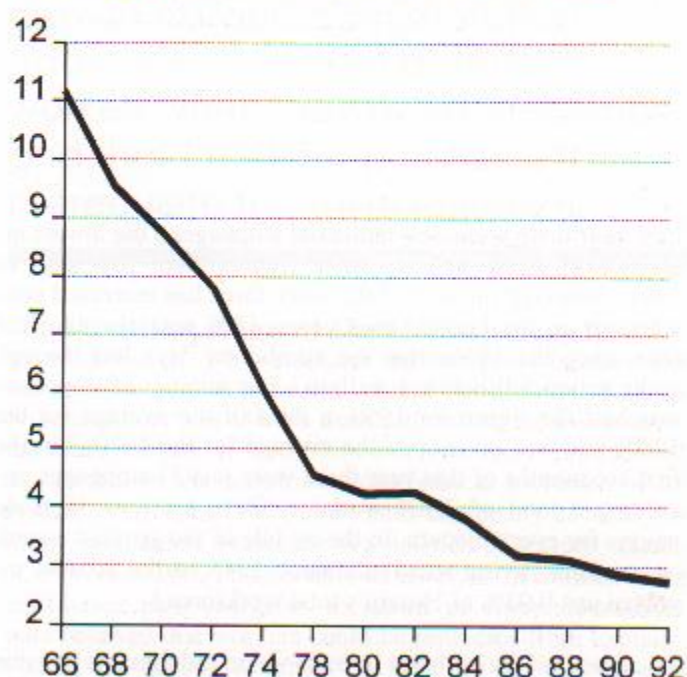
Source: Datastream



German Mark- Sterling Exchange Rate

Annualised averages. 1992 half yearly estimate

Source: CSO, Economic Trends, Blue Book 1992



ance of the magnitude of Britain's objective problems can sustain the belief - sadly widespread among the working class - that industrial regeneration projects and training schemes could pull the economy out of the slump. Clinging to such utopian 'solutions' is only a measure of dependency on kind-hearted Toryism and Labour rhetoric; the politics of the begging bowl. As such the working class is condemned to share the fate of all those sections of business who now clamour for subsidies, hand-outs and for the government to 'do something': bankruptcy.

Our analysis now turns to the state of the working class.

1. *Financial Times*, 7 November 1992. Data are for the third quarter of 1992.
2. *ibid.* and data calculated from government Central Statistical Office publications. The Bank of England calculates that of the 1.5 million households affected by 'negative equity' on their homes, the average deficit per household is XXXX6000. See *Quarterly Bulletin*, August 1992.
3. The figure of £37bn for 1992/93 is from the November 1992 Autumn Statement. Just eight months earlier in the March Budget, the estimate for this year was £28bn, and in the previous year's Budget the deficit was estimated at £12bn!
4. There is no room in the present article to discuss that key feature of capitalist growth, the tendency of the rate of profit to fall, which sets the overall environment for capitalist growth and produces crises. This will be the subject of subsequent articles in *Analysis*, which will deal more fully with theoretical issues arising from a Marxist understanding of today's conditions.
5. There are differences between the post-war economic regeneration of Japan and Germany, and it is also important to remember that in each case defeat in war made a more acute exploitation of the workforce possible as another means to spur economic recovery. Nevertheless, in each case there was a common benefit of starting anew.
6. The data are taken from an appendix on p1082 of Lawson's book which cites a 1989 study. These are useful in distinguishing hourly productivity, which is a more accurate index of technological advance. If the data are suspect, this is in the degree to which they flatter the growth of UK productivity, which on CSO data for most of this period appears to be lower. Lawson's book, since we are here, is a rambling, long-winded apologia from a minister who played a large part in promoting the delusions of the 1980s.
7. The ironically named *Economic Progress Report*, February 1985, reports that net external assets of British capitalism as a percentage of domestic GDP rose throughout the 19th century to some 180% by 1913. The First World War

and the interwar crisis saw a drop to around 90% by 1937. After the Second World War the net assets turned into net liabilities by 1951. There was a small recovery in net assets in subsequent years, but the many decades of living off the rest of the world had come to an end.

8. The Hovercraft and Hotel space plane are other technical wonders whose economic success left something to be desired.

9. It was the Labour Government of the mid-seventies which first said that it was 'not possible to spend your way out of recession' and began the largest ever cuts in public spending. Labour also performed the rare feat for a post-war government of forcing through a cut in real wages through its Social Contract deal with the union chiefs. In 1976-77, wages rose by 9% while retail prices rose by 15.9%!

10. Quoted in Christopher Huhne, *Real World Economics*, Penguin 1990, from David Metcalf, *Water Notes Dry Up*, Centre for Labour Economics, Discussion paper No 314, LSE 1988.

11. C. Johnson, *The economy under Mrs Thatcher, 1979-1990*, Penguin 1991. Data calculated from Table 40.

12. Data calculated from *Monthly Digest of Statistics*, Central Statistical Office, various issues.

13. Data from the CSO Blue Book, 1992.

14. N. Crafts, *Was the Thatcher experiment worth it?*, Centre for Economic Policy Research, Discussion paper No 710, August 1992.

15. See the CSO Blue Book 1992, Table 16.1.

16. *Social Trends*, No 22 1992, shows that in 1989 the usual number of weekly hours worked by males in the UK was 44.0, compared to an EC average of 40.6 and close to or below that average for the major EC countries. No other country had as high a number of weekly hours worked as in the UK.

17. C. Johnson, *opus cit.* p.201

18. *Blue Book* 1992.

19. C. Johnson, *opus cit.* Table 32, p299.

20. Subsequent data for such revenues shows that the game is not yet up. Privatisation revenues were £5.3bn in 1990-91 and £7.9bn in 1991-92, with an estimate of £8bn in 1992-93. Council house sales add a further several billion per year to government revenues. Until the assets run out...

21. *Social Trends* 1992, HMSO.

22. *Blue Book* 1992

23. C. Johnson, *opus cit.* Table 38 p303

24. London as a location has nevertheless gained ground in recent years in total forex volumes compared to elsewhere.

25. *Financial Times*, 10 November 1992.

26. *Financial Times*, 13 November 1992.

27. Italy's debt problems have seen its credit rating drop down several notches on the basis of its inability to curb a government deficit amounting to some 10% of GDP. In the UK the government deficit, excluding privatisation proceeds, will jump to over 8% in 1993-94.

2.

THE END OF COWLEY MAN

Last year there were 369 industrial stoppages - the lowest incidence of strike activity since figures were first kept in 1891. Although the size of the work force has increased considerably in the last hundred years, 1991 was also the first time since the 1930s that the number of days lost through strike action fell below 1 million.¹ The number of stoppages was half the figure for 1990, a third of the average for the 1980s and one seventh of the average for the 1970s.² In the first six months of this year there were just 31 stoppages, involving a total of 7,400 workers. There are now 10 trade unions for every dispute. In the middle of the greatest assault on workers' living standards since 1945, strike activity involves just 0.03% of Britain's total workforce.³

To argue that the collapse in trade union militancy is just due to the slump, and that it will bounce back once business picks up, expresses a touching faith in the economy. It is also an oblique admission that trade unions cannot defend workers when they need them most and that capitalist prosperity is a prerequisite for trade unionism. Much of the recent collapse in militancy is due to two years of severe recession, but it is also the product of more long-term trends which are not associated with the boom-bust cycle. The relatively prosperous years of 1986-1990 saw a 70% decline in strike activity compared to the more recessionary 1980-85 period. Had it not been for the NALGO strike of 1989, which alone accounted for half the working days lost in that year, the drop would have been steeper.⁴ The average decline in strike activity in other Western countries was 25%. Through the booms and busts of the last 12 years union militancy, organisation and membership in Britain have steadily declined. Membership has plummeted from the historic peak of 12 million in 1979 to 7 million in 1991. This fall is absolute, and not relative to employment levels. Between 1979 and 1986 the labour force shrank by 1.7 million and the unions lost 2.75 million members. Between 1986 and 1990 the labour force rose by 1.4 million, but the unions lost over a million and a half members.⁵ Last year alone, TUC-affiliated unions lost half a million members.⁶ This year the slump will cut even deeper. If non-paying members, retired members, and cheating⁷ are excluded, *effective* union membership is around 6 million. By the end of the century membership will be down to 3-4 million, a figure widely accepted by the trade union leadership who have made the appropriate financial and staffing adjustments. Trade unions are in terminal decline.

Like all the institutions of the established order in Britain, trade unions are shrouded in a series of myths which do not survive scrutiny. These dominate discussion - even in critical Marxist circles. Before any sensible discussion of the future of working class politics is possible it is necessary to dispel such myths. But first a word about what we are **not** saying.

FAREWELLS

Statements declaring the disappearance of the working class appear with tiresome regularity, and rarely contribute anything new or of substance. Let us assure readers from the beginning that they are not wasting their time on another flip-pant 'farewell'. Firstly, some form of rudimentary workplace organisation will always exist because both employers and workers find it necessary. Despite much talk of the 'primacy of the market' and the 'manager's right to manage', production is very much a social and collaborative affair that is dependent on good 'industrial relations'. Managers need a structure of recognised authority, co-operation and information and such requirements have shaped shop-floor organisation. Shop-floor trade-unionists play a significant role in ensuring that production runs smoothly and efficiently and are a far cry from the popular image of the stropky, confrontational 'Trot' who is always looking for an excuse to call out the lads. In 1968, after a decade of increasing strike activity, the Royal Commission on Trade Unions and Employers Associations was at pains to argue that the stereotyped image of the shop steward undermined his role and was thus detrimental to good industrial relations, "It is wide of the mark to describe shop stewards as 'trouble-makers'. Trouble is thrust upon them. In circumstances of this kind they may be striving to bring some order into a chaotic situation, and management may rely heavily on their efforts to do so. ...shop floor decisions which generally precede unofficial strikes are often taken against the advice of shop stewards. Thus shop stewards are rarely agitators pushing workers towards unconstitutional action.... quite commonly they are supporters of order exercising a restraining influence on their members in conditions which promote disorder"⁸. Professor Hugh Clegg, a Commission appointee, points out that 'For the most part the steward is perceived by others, and views himself, as an accepted, reasonable and moderating influence; more of a lubricant than an irritant.'⁹ The Commission recommended that the role of the shop-stewards should be strengthened. It is not surprising that a large number of shop stewards are also foremen or play a supervisory role.

Total hostility towards independent work-place organization would only impair the formal and informal structures of co-operation and control which managers rely on since 'independent' and 'company' structures are not only compatible but in many practical ways inseparable. The recently published Warwick University Industrial Relations Survey (WIRS) shows that 90% of workplaces regularly used several methods of non-union consultation and discussion between management and workers. A decade of Tory rule has done little to undermine such structures; indeed, their use has increased. Even in non-union establishments, 62% of managers had regular consultative meetings with workers. In addition, WIRS found that there "was a clear relationship between

regular [consultative] meetings of any sort and union presence".¹⁰ In addition 81% of manual shop-stewards and 76 non-manual reps report having meetings with management that were outside any framework of negotiation or consultation, though 57% of shop stewards do not even meet with other representatives of the same union in the workplace.¹¹

While management has become far more aggressive and 'hands-on', the massive decline in union organisation during the last decade has not primarily been due to de-recognition, management hostility or Tory legislation,¹² but to the decline of traditional industries and the growth of smaller scale units, and poorly paid, unskilled, part time jobs which do not require much 'industrial relations'.

The Thatcher Revolution, which ideologically was mainly a middle class affair, had little impact on workers' general attitudes towards trade unions. The overwhelming majority of workers, including those who vote Conservative, want trade unions, even though there is a widespread feeling that they are not very effective. There are no major examples of workers choosing to leave a union as a consequence of rejecting trade unionism. In any new enterprise where unions are recognised, or can organise, it is still easy to achieve high rates of unionisation. Ironically, a decade of decline has seen trade unionism extended within the working class and its expansion into more and more areas of middle class employment. What has changed dramatically is the way workers see trade unions. In terms of militancy, it is not argued that all strikes are a thing of the past.

The unavoidable social aspects of production will ensure the continued presence of a high level of workplace organisation, whether in the form of 'independent' or 'company-sponsored' structures. The substance of our argument is that what is dead as a dodo is trade unionism as political strategy which believes that such a rudimentary form of class organisation, and one steeped in such narrowness and conservatism, can be the basis for achieving Socialism, significant reform or just a defence of existing rights.

Secondly, our requiem for trade unionism is not the opening salvo of a strategy based on cross-class alliances or links with 'new social movements'. There are no 'new social movements' - just bourgeois fashions that come and go. The heyday of gender politics, Green politics, sexual politics and all the other fragmentary pursuits, is over. Cross-class alliances amount to nothing. Despite the complete defeat of the contemporary form of working class politics, it is our belief that the only constituency that can be relied upon to be the agency of progressive social change - let alone Socialism - is the working class. We recognise that this is just a bald statement, and one that has 'yet to be demonstrated theoretically and proven in practice'.

THE EPIC AND THE REAL

Our basic proposition is that working class politics and organisation is neither static nor limited to a narrow set of organisational forms, and that one such form - trade unionism - has outlived its usefulness. Working class politics is continually shaped and re-shaped by the changing nature of capitalism and bourgeois society. As stated, there can be no progress unless the collection of myths, worn-out clichés and misconceptions that make up British trade union culture are first discarded. Since there is no space here for a systematic exposition of how the mythology of trade unionism has emerged, the reader asked to forgive a 'point-by-point'.

To argue that the collapse in trade union militancy is just due to the slump, and that it will bounce back once business picks up, expresses a touching faith in the economy. It is also an oblique admission that trade unions cannot defend workers when they need them most and that capitalist prosperity is a prerequisite for trade unionism.

'The Cutting Edge of the Class Struggle'

Many activists, who consider themselves Marxists, but whose knowledge of Marxism is scant, believe that 'the point of production' was Marx's distinctive contribution to working class politics. In fact, Marx's emphasis on 'production', as opposed to the redistributive or ethical socialism of his contemporaries, had little to do with the factory as such. For Marx 'production' meant the organisation of society - class - of which the work-place is only an instance. In contrast to the craft-based petit-bourgeois socialism of Joseph Proudhon, who believed that workers could be protected from exploitation by the issuing of labour 'tickets' for the full value of their work, Marx argued that the individual worker is not exploited by the individual boss but as a member of a class. Likewise, the capitalist does not extract profits from exploiting 'his' workers but as a member of a class which as a totality exploits labour.¹³ Such is the meaning of the Marxist dictum, 'capital is a social relation'. The worker is not exploited 'at the point of production' as an individual but as a member of a class which has wider attributes than just the ability to do wage-work. To reduce the working class to a narrow set of intra-factory relations is to rob it of all its social and historical significance. The consequences of such a conception of working class politics are clear.

Why then has trade unionism played such an important role? Firstly, neither the extraction of *surplus value* nor the whip-lash of managerial discipline can account for the past importance of factory-based organisation since there is no fixed relation between the rate of exploitation and union militancy. That production brings worker and capitalist into 'direct confrontation' is a 19th century cliché; few workers have any direct contact with managers, let alone capitalists. The answer is much more simple, and relies on the worker's qualities as a social being rather than as a productive machine: factories bring workers together.¹⁴ It is the experience of discussion, argument and organising with fellow workers, not the sting of economic exploitation, which politicises the working class. As will be argued later, this process can take many forms and is neither exclusive nor 'natural' to the factory.

Capitalism will be destroyed by the same forces that have buried every class regime and knocked down every dictatorship: a hunger for political emancipation in people who have acquired a broader view of society and who feel the inadequacy of existing social arrangements. Not the pangs of an empty stomach but a mind full of ideas and new aspirations. It is not surprising that whenever the working class has been gripped by such sentiments it has instinctively moved out of

the factories, left behind a muck of a one-dimensional existence and headed for the centre of town. Production belongs in the factory. But politics, and power, is in the city.

'Schools of Struggle'

Related to the 'primacy of production' is the idea of trade unionism as a 'school of struggle'. Again, a 19th century myth. Up to the First World War, when trade-unions were still a feared and 'oppositional' force in society, unions *did* play a significant role in the political education of a small but important section of the working class. After the Second World War, trade unions became an integral part of bourgeois society, the state, and capitalist strategy (which is what 'consensus politics' means). While certain strikes have had a politicising effect, the overall effect of this deeply conservative institution has been to imbue the working class with all the elements of a deeply conservative outlook: a deferential and delegative concept of democracy, routinism, proceduralism, respect of legality and law and order, parochialism, Little Englander nationalism and Great British chauvinism. It is plainly absurd to continue to consider such a profoundly conservative and reactionary institution as a 'school of struggle'.

Trade unionism does not imbue workers with 'class consciousness' or even a vague notion of 'them and us', but a sectional mentality which is usually directed against other workers.

Such an idea can only be sustained by romanticism and dragging up quotes from Marx, Lenin and Trotsky which refer to other places and other times. In reality the overwhelming majority of workers are never involved in any form of trade union work and less than 1 in 20 has ever engaged in industrial action of any sort. Since the beginning of this century there has been no necessary connection between a high level of union density and a high level of militancy. With one of the highest density levels in the world, Britain is mid-ranking in the militancy league. During the 1980s, many European countries with lower densities had significantly better strike records - Greece, Spain, Italy - while countries with high densities did worse - France, Germany, Netherlands, Norway, Sweden.¹⁵

Neither does this concept square with the historical or contemporary experience. E. P. Thompson's highly recommendable work, *The Making of the English Working Class*, has shown that, even during its formative period, the working class has been politicised through all sorts of experiences: the dissenting churches, Sunday schools, reading and discussion clubs of all sorts, the pub, riots, news-sheets of every variety etc. For an older generation of workers, evening classes and the local library have probably done more to raise and broaden their political outlook than any other single institutions. In the last three decades most people have started to become political through music, film and left-wing activities related to international events, not through their trade union experience.

Trade unionism does not imbue workers with 'class consciousness' or even a vague notion of 'them and us', but a sectional mentality which is usually directed against other

workers: electricians are scabs, chippies are walleys, Asians don't go to branch meetings, Blacks are not interested in unions, engineers consider themselves an aristocracy, plasterers are mad, anyone who works in an office or has an education is obviously suspect, and so on. The workplace is full of these petty patriotisms and trade unionists - left or right - breed on them. The net result is not an education in anti-capitalist ideas but a school of compromise, conformity and every rotten sectional attitude.

'Taking Control'

The distinction between a reactionary union leadership and a potentially revolutionary membership is the basic concept which animates the scores of little rank and file groups that exist up and down the country and the reason why they always remain isolated little groups. If only there was democracy, they argue, honest left-wing candidates would get to the top, and trade unions would once again be real fighting class organisations. While few rank and file members can be as moronic as Norman Willis or Bill Jordan, such an understanding refuses to recognise that both leadership and membership share the same political outlook, social attitudes, and 'national' values. While the leadership has betrayed many a strike, the idea of an activist membership straining at the leash and constrained by a conservative leadership is pure fantasy. The notion of a leadership which has permanently usurped union power against the will of the membership belongs to bourgeois sociology and has no place in a materialist analysis. The union leaders are able to betray strikes and thwart activism because they are able to convey to the membership the futility of its own narrow politics. Here is Dave Osler of *Socialist* reporting on the GEC Alsthom (formerly Ferguson Paillin) strike in January this year. His report is a good illustration of the conservative, stagnant and narrow attitudes that pervade shop-floor activism and provide almost all the clichés of Labourist romanticism; the golden glow of a mythical tradition, the 'dignity of toil', 'the lads', 'the empire', craftsmanship, and deference to seniority. All that is missing is a brass band playing the theme music from the Hovis advert and a Northern accent, which the reader's imagination can provide. 'The strike is mainly about saying a flat "no" to 142 compulsory redundancies. On another level it is also about tradition, pride in a job well done and the right to have a bit of a laugh while you work. "It was a bloody good firm when I came here 39 years ago" said Lenny, a picket in his sixties. "You worked hard, but you enjoyed it... Ferguson Paillin was world-renowned. You could go anywhere in the world and find Ferguson Paillin switch gear. People used to have pride here. Now they just knock it out. I never thought this place would go like this... You get a bloke been here a month telling a bloke who's been here 33 years he's not wanted."'¹⁶

'You worked hard, but enjoyed it'! This is the kind of backward, subservient, sentimental rubbish that prolonged exposure to trade unionism can cause and which the liberal middle classes find so appealing. One does not need to be a Marxist to know that the Alsthom strike is doomed. It is obvious that when it comes to class struggle any wet-behind-the-ears management trainee or sharp-suited union official from head office can run circles around our Lenny. And Lenny is what grass-roots trade-unionism is all about.

A shared political and bureaucratic culture is also why the transition from left-wing rebel to right-wing bureaucrat, or personnel manager, is so effortless and so common. The reader need only think of all the left-wing trade union heroes of the past. There is enough of them to keep *Labour Brief-*

Since the performance of trade unionism in Britain is patently abysmal it can only be validated as an effective strategy by comparing our 'grand tradition' with mythical demons.

ing's 'Traitor of the Month' column in business well into the next century. An activist membership can never 'take control' of a union because the narrowness and conservatism of trade unionism itself is the basis of a bureaucracy which is immune to any democratic or socialist challenge.

and is part of the bourgeois state - as wants to be.

In addition, rank & file-ists should take a serious look at themselves. Surely their failure to seriously challenge a conservative leadership is also related to the fact that their own existence is also based on the de-politicisation of the workforce, undemocratic and corrupt practices and all sorts of manoeuvrings. This allows trade union activists and the union petit-bureaucracy a free run of branch life, to pass resolutions, divert funds, etc. In sum, the existence of trade union radicalism is based on the very same lack of democracy as that which sustains the conservative leadership it opposes, but will one day become. Rank & file-ists simply colonise a different part of the union. The union leadership knows this and allows the activists enough space to get on with their harmless interests. If things get out of hand - which is rare since it is a well established tradition and everyone knows the rules of the game - the leadership can easily re-assert control by bribing the aspirant petit-bureaucrats and mobilising the membership to crush those that don't knuckle under. In reality, most rank & file activists buckle even before this is necessary.

Tribalism

Since the performance of trade unionism in Britain is patently abysmal it can only be validated as an effective strategy by comparing our 'grand tradition' with mythical demons. These take several forms: American unions which are business unions, the EEPTU which is a scab union, non-TUC unions which are not 'real' unions, white-collar unions which are a bit wobbly because they are middle class. Not to mention what the Japanese are! Two examples expose the reactionary nature of such 'comparisons'.

Among activists 'American trade-unions' is synonymous with 'yellow trade-unionism'. Apparently, over there they don't have real trade unions, since they are all company unions which always suck up to the bosses. This reactionary jibe against the American working class rests on ignorance. First, the ignorance of confusing a high degree of union density with militancy. Although the US has lower union densities, it also has a far better record of combativity, bitter struggle and heroism. Secondly, the ignorant myth that American unionism is fundamentally different from the good old British variant. In Britain 'staff associations' are widespread. The majority TUC affiliates do not even call themselves 'unions' but 'associations'. But most important of all, unions in Britain share the same 'business' outlook as those of their US counterparts and see themselves as organisations retailing cheap insurance, cheap holidays and cheap legal backup. Finally, a disparaging attitude towards US labour has much to do with the anti-Americanism that is so fashionable among the middle classes.

EEPTU - mention these five letters in any trade-union milieu and the most conservative, spineless, bootlicking union official will suddenly get up on his hind legs to be transformed into a fiery defender of the class. For a moment the union bureaucracy and the Left are as one. It's all hot air and theatrics. The EEPTU, which along with the NUM is one of the only unions which can boast of having played a major role in bringing down a Conservative government, is no different in its politics from any other union. What irritates a number of the more backward unions is simply that it is more efficiently run and so gets its opportunist moves in first. The T&GWU, which for some unknown reason has a reputation as a Left union, has been just as eager to poach members and sign sweetheart deals. However, it is so disorganised, incompetent and corrupt that the services it offers are archaic. The EEPTU is universally detested because it cheekily exposed the fact that the 'principles' of the union movement are bunk.

The notion of a 'grand tradition' is also intertwined with the 'epic history' which is part of British chauvinist culture. For Henry Phelps Brown, Emeritus Professor of Labour Economics at the LSE, and a respected establishment figure, trade-unionism is part of the British character itself, "Some characteristics of the British people that appear as distinctive on an international comparison have helped to make strong unions. Thus it appears that the British combine their dominant individualism with a capacity for co-operation. They readily form spontaneous associations for particular purposes, devising their own forms of organisation in great variety. They are conservative of established practice and dogged in defence of what they regard as their rights. Generally, then, they find it natural to join a union, and loyalty to it also comes naturally."¹⁷ Phelps Brown recognises well that trade-unionism breeds that stupefying docility and spirit of compromise which the Establishment so admires in 'their' workmen and without which the 'uniqueness' of British political stability would not be possible.

Trade unions = Working class.

The English language, at least as it is spoken in Britain, has provided reformism with a versatile term that expresses its ideological dominance; labour. The term, as in 'the labour movement', sometimes with a capital 'L', sometimes in lower case, conveniently fails to distinguish between the Labour Party, the unions, the local council, the Left, and of course, the working class. For the Labour Party boss or trade union bureaucrat it is the credentials of property and tenure. For the Labour Party entryist, or the left-wing activist who has weaselled himself a trade union post by doing favours and donkey work, it has the convenience of concealing his divided loyalty to Labour (the party), Labour (the union) and Labour (the working class). To all, it is a reassuring term which sustains the myth of a wider structure in society, a movement.

Of course, there is no such thing as a labour movement. The immense majority of working people are oblivious to even the presence of all those who supposedly are fighting on their behalf. Even in countries with very high membership densities, unions only involve a small section of the working class. The confusion between the working class and the bureaucratic caste that preys upon it, has generated another convenient confusion between the union structure and 'the organised working class'. In fact, the culture of trade unionism is one of delegation and passivity, not action and participation. That a worker has union dues deducted automatically from his wages by his employer, to go straight into the cof-

fers of a union he may not even know he is a member of, to be 'represented' by an official he is only likely to see once in a blue moon, if at all, is hardly a sign of 'organisation'.

The fallacy of trade-unionism's claim to represent the working class is exposed when one considers the many sections of the working class which it has traditionally ignored.

On the contrary, the trade union bureaucracy - whether the leadership or the petit-bureaucracy of the branches - is 'powerful' precisely because workers are not organised and never participate in anything. This is particularly the case in Britain, and accounts for the proliferation of glossy union news sheets, which look the same as company news sheets and are often produced by the same publishing groups. Their role, as in the case of company news sheets, is to convey a sense of 'belonging' and 'involvement' to a non-participating membership. Things are not much better when workers get 'actively involved' in a strike. Encounter any group of ordinary workers on strike and the story is almost always the same: no one knows what is going on, so-and-so from the union is supposed to come down to explain what is going on, etc.

The fallacy of trade-unionism's claim to represent the working class is exposed when one considers the many sections of the working class which it has traditionally ignored. Today, with a collapsing membership base, desperate union officials can be seen scouring the country in their Ford Sierras looking for any group of workers who can pay dues. It was not very long ago when trade-unionism meant the activity of a narrow section of skilled and semi-skilled men. Indeed, one of the reasons why the trade union membership has been so badly hit is its traditional reliance on such a narrow base.

Although men still account for 62% of union membership, the recent massive losses in membership have been almost entirely male as traditional occupations and long established industries disappear and patterns of employment shift towards more flexible and irregular types of work.¹⁸ In the last year that we have accurate figures for, 1989-90, there was a 17% fall in the TU density of male full-time workers. Two thirds of the jobs created during the 1980s were taken up by women and were predominantly part-time and low paid. Of course, there is no objective reason why such workers cannot be unionised, but the existing union culture, which is predominantly geared towards the easy extracting of dues, and not towards involving workers, cannot deal with such conditions.

'Unshackle the Unions'

This slogan, currently favoured by sections of what remains of the Labour Left, is based on the belief that the collapse of trade unionism is largely due to Tory anti-union laws. Their abrogation would, presumably, restore the trade union movement to its supposedly former fighting glory. It is doubtful whether anyone actually believes this. While loss of legal protection undoubtedly discourages industrial action, even if the law is not applied, it cannot account for the collapse of militancy. Western countries which have retained legal privileges have seen a similar or even greater decline. Many countries where trade unionists are persecuted still manage to

have strikes. The overwhelming concern of workers considering industrial action is not the law, but the possibility that their actions might damage the company's economic viability and provoke job losses. Once this calculation enters the workplace, trade unionism as a political movement is finished. The 'Unshackle the Unions' slogan is an attempt to focus attention on the Tories, and therefore represents an unwillingness to confront the objective reasons for the crisis in working class politics. Take the example of collective bargaining, which was the origin of much of the 'militancy' of the late 1950s and 1960s. Higher wages were seen as related to the unions' capacity to pressure the management. Even conservative minded workers were prepared to back militant action as there was a good chance that it would prove effective.

Today, workers know that the union's ability to negotiate is largely irrelevant and that the defining factor in wage settlements is the state of the economy. As a consequence the concept of 'union muscle' has been replaced by 'service'. It is not the collective strength that a union may offer which motivates workers to join unions, but the helplessness of the individual worker. If you are injured at work, you need someone who knows the law to sort things out. Work-place discipline is now stricter and it is easier to get into the kind of trouble that can lose you your job, even if you are a white collar worker or a professional. Here unions are still able to provide a useful service. The repeal of anti-union legislation is therefore unlikely to change the union power.

"Bowed but Undefeated"

Common arguments against the picture painted above are the high rates of membership and the number of significant strikes that have taken place in some sections of the labour force. Such arguments depend entirely on the selective use of facts and statistics. The myth of trade union power is only sustainable with reference to the public sector. As stated, trade unionism no longer has any meaning in the private sector because unemployment and the state of the economy now totally dominate the 'pay and conditions' scene. Negotiation and 'collective bargaining' now only mean the process by which workers are informed of what the management is willing, or able, to pay. There is nothing to bargain or negotiate.

Although the last decade saw the widespread introduction of market principles and mechanism in the public sector, it was generally spared the savagery of the private sector. The Thatcher Revolution had its limits. It is not surprising that the only sector to experience increasing union density were the fire, police, justice, defence and security services, which rose 4% in one year alone (1989-90).¹⁹ While the average density in the private sector is around 32%, it is 64% in national and local government, 92% in rail, transport and postal services, 66% for hospital workers, 62% in secondary education, 56% in higher education and 53% in the emergency/security services. In 1991, when the TUC affiliated unions lost half a million members, only three large unions (100,000 plus members) made gains; NALGO, which gained 15,282 members, the CPSA (1,889) and NASUWT (1,326). The smaller unions which made gains were; Inland Revenue Staff Federation, Prison Officers Association, Society of Radiographers, First Division Association, Education Institute of Scotland and the FBU. As one IDS report has commented "In the public sector... levels of trade union organisation are higher than thought possible 20 years ago. And, overall, the level of union membership [density] is about the same as it was at the end of the War, before the long period of sustained growth."²⁰

The figures for strike activity also indicate the public sector's privileged position. The table below shows that with rare exceptions in most years a *single* public sector, or semi-public sector, strike has accounted for the bulk of industrial action.

THE MAJOR STRIKES

	As % of all days lost
1979 Engineers	54
1984 Miners	83
1985 Miners	63
1987 Telecom workers	41
1988 Postal workers	28
1989 Council workers	49
1990 Engineers	16
1991 Council workers	13

Source: *Employment Gazette*, May 1992.

During the last decade there has been a tacit understanding between the State and the public sector unions. The basis of this agreement has been that the unions would do nothing to prevent the crippling of trade-unionism in the private sector (no solidarity or concerted action of any sort) and would not fight against the destruction of welfare services. In return the State would not destroy the public sector trade unions.

These days are now over. The need for massive cuts in state spending - even before the Treasury's debacle over exchange rates - has numbered the days of the public sector unions. Smashing the public sector unions is an inescapable pre-requisite for the level of cuts the Treasury has in mind. At the level of local government, which accounts for the bulk of state employment, both Labour and Conservative local authorities are equally determined to balance the books even if this means defeating the unions by any means necessary.

It is impossible to predict whether the public sector will put up some kind of a fight or just cave in after a few militant gestures. The latter would be true to form. There *are* likely to be some very bitter local struggles, each one of which will be heralded as evidence that the trade union movement is not dead. What can be said without fear of contradiction is that as a whole public sector unions will be crushed. Even if a wave of public sector strikes ejects the Tories from power and brings forth a Labour government - a hope in the back of many activists' minds - the new administration will essentially pursue the same policy.

The Wages Fallacy

Finally, an argument often forwarded to refute the idea that the trade union movement is dead is that through the 1980s workers have maintained wage levels. Despite all the defeats - the argument goes - the Tories have not been able, or have not dared, to attack the heartland of trade unionism - the wage - for fear of awaking a sleeping giant. The trade union movement is therefore still intact, it quietly retains its strength, and once it regains its confidence it will rise up to deliver a mighty blow. This argument is entirely based on Tory lies and propaganda which does not distinguish between *nominal wages* and the real level of working class consumption.

In general, *nominal wages* have been maintained or have risen slightly, as the Tories never tire of reminding the working class. But *nominal wages* only conceal the very partial nature of working class 'prosperity' during the 1980s for several reasons.

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Conceptual Error.

It is often forgotten that 'the wage', like any economic term, is a relative concept; "so much money for so much work". What workers get for their labour can decline while *nominal wages* stay the same, or rise, if the intensity of labour or the amount of work is increased. The previous section on the British economy has pointed out how *labour productivity* rose significantly during the early 1980s at about 6% a year. It continued to rise during the latter 1980s, though at a slower rate. Since the level of wage rises does not match the rise in *labour productivity*, the working class lost out.

It is not surprising to find that during the 1980s every single factor indicative of the conditions of labour has significantly deteriorated: shorter or abolished break times, faster line speeds, longer average working weeks, increasing use of shift work or 'rostering', occupational illness and accidents. Far from protecting workers from speed-ups and work 're-design', trade unions have played a fundamental role in convincing workers that such measures were 'inevitable'.

Statistical Error.

The largest increase in employment during the 1980s, about 2/3, was in the type of jobs which easily slip through the government's statistical gathering techniques. For example, a large car plant decides to close down its subsidised canteen and take on a catering sub-contractor. The sub-contract re-employs the old canteen staff at lower wages, reduced conditions (holidays, etc), and with a higher workload. He also raises the prices of meals provided, which are marginally better than those provided by the old canteen, but are also more expensive. The real standard of living has declined for both canteen staff and car worker. Yet statistics will show a very different picture. As canteen staff are paid less than car-workers their exclusion from the car manufacturer's payroll will raise the *average wage* statistics in the car industry, although wages have not gone up and car-workers' disposable income has been eroded due to more expensive meals. As statistics for small sub-contracting firms are difficult to gather they do not drag down national wage rates.

There is also a multitude of factors which undermine a worker's *level of consumption* but do not effect *nominal* rates. We need only mention two.

Social Service Cuts.

It is impossible to calculate how much of working class consumption is made up by the *social wage*, i.e. health, education, etc., but there is general agreement that during the 1970s it accounted for about 30% or 40%. Although unemployment benefit now accounts for a third of all state spend-

ing, it is not necessary to detail the wholesale slaughter of state services to the working class. Equally unnecessary is any comment on the trade unions' exemplary failure to defend services.

Unemployment

Nominal wage statistics only calculate earnings while at work. Since periods of unemployment and lay-offs are now experienced by over half the work force, a reasonable assessment of how well, or badly, the working class fared during the 1980s would have to calculate an average of income while in and out of employment. A building labourer who 'took home' £120 between 1984 and 1987, £400 during the boom years between 1988 and 1990, and has been drawing £40 dole ever since, has an average weekly take home pay of £175.

Given the highly occupationally segmented nature of the working population, it is not possible to give an all-encompassing answer to whether living standards have risen or not. What can be said with some certainty is that those workers who until now were relatively sheltered from the ravages of the market have maintained their income levels. The latest round of public sector cuts will show if this has been due to the presence of unions or Tory unwillingness to implement major changes. In less 'price sensitive' sectors of the private sector, many skilled workers, or those with supervisory skills, have experienced real rises in income. In many other sectors, particularly the service industries, incomes and conditions have deteriorated.

In a country where 20% of the population lives below the poverty line, where millions live on wages as little as £1.65, in appalling work and safety conditions, where levels of poverty not seen since the 1920s affect increasing numbers of people, there seems little cause for self-congratulation from any section of the labour movement.

BUILDING JERUSALEM

The previous sections have outlined some of the myths which conceal the ideological inadequacy of trade unionism in defending workers' basic rights, let alone a strategy for achieving Socialism. There are also objective and historical limits to trade unionism, both as a general strategy and as the particular form that trade unionism has taken in post-war Britain.

It is a peculiarity of social consciousness that 'having a history' bestows legitimacy on institutions which, like doddering Lords, have long 'passed it'. Peculiar, because if anything the patina of age is a certain indicator of irrelevance. Institutions never stand the test of time and societies which find comfort in longevity are usually moribund. Unfortunately, nowhere is this mode of thinking more entrenched than among the working class. Understandably so. Continually accosted and attacked by powerful and well established institutions, the working class continually yearns for something solid and permanent of its own. It is not only the bureaucratic mentality which has created a labour movement so steeped in committee work, 'proper procedure', officialdom, rule books, and a hierarchical management structure. The bureaucratic mind feels at home among the polished brass and marble, the Victorian gothic, the heavy oak panelling, the leathered seating and the rustle of briefing papers that is the world of Labour. But that the 'popular will' has captured such an alien world is also a source of confidence and pride for many ordinary working class people. Far more lamentable is that most of the Left thinks the same way. Nothing could be more

THE CLOSED SHOP 1984

% of establishments in which all manual workers have to be unionised

All	17
Private manufacture	16
Private services	10
Nationalised Industries	68
Public services	15

foreign to the revolutionary spirit. The institutions of the working class cannot be the same as those of the established order. If the working class is continually shaped and reshaped by capitalism, then its organization must be continually changing.

The culture of 'this grand labour movement of ours' conceals the fact that although Britain has one of the oldest trade-union movements, trade-unionism, like democracy and voting, is a relatively new phenomenon. Most socialists today would consider the trade-unions of the 19th century to be scab organisations which were ultra-conservative, generally anti-working class, and had more in common with the poorer Masonic lodges than with anything recognised as trade unionism today. Modern British trade-unionism emerged around the turn of the century, at the same time as in most other industrialised countries. Trade-unionism before the Second World War was still very much restricted to the skilled worker. Where unskilled workers were unionised, it generally involved groups of workers that belong to organised communities; dockers, seamen, and the miners.

What is left of trade unionism today is very much a post-war product, and in particular the social, industrial, and imperialist consensus which the bourgeoisie was eager to foster after 1945. Two factors account for the 'strength' of trade unionism in Britain, neither of which has much to do with class struggle.

1) The Welfare State.

The ruling class has always been hostile to the idea of a welfare state and promises of 'full employment'. In 1945 it had little choice but to introduce it, both as a palliative to popular unrest and as the corollary to a desperate drive for 'national efficiency'. Trade-unionism ensured that both demands were interpreted within their proper limits.

2) Nationalization

The calamity of the Second World War, which came only 18 years after a war which had crippled British global power for ever, convinced British capital that a far-reaching attempt to refurbish British capitalism was necessary. The meekness of the 'organised labour movement' during the 1930s, and its cooperativeness during the war effort, finally convinced the bourgeoisie that the 'proles' could be trusted with a larger degree of influence. If trade union control of the working class had sustained 5 years of hard graft and sacrifices, it could also be used to revamp British industry. In any case, the ruling class had few options.

A far-reaching programme of renewal, in which the nationalised industries were to play a strategic role, would need substantial working class support. It was in this context that a high-degree of unionization, particularly in the nationalised industries, was actively encouraged. As the WIRS has pointed out "management might still find it in their interest to have the great majority of their employees represented by trade unions and indeed to take positive steps to encourage

union membership.... the highest incidence of such encouragement was in the nationalised industries".²¹

In conclusion, the limits of trade unionism as an emancipatory vehicle for the working class are not only ideological, are not only those of ideological and organizational narrowness, which are inherent to trade unionism itself, but also stem from historical conditions particular to Britain. The post-war trade union movement was predominantly shaped by ruling class concessions and was 'strong' only on paper. It had no substance and acquired no back-bone. Irrespective of who rules *bourgeois* Britain in the future, the post-war world of 'national consensus' and welfare liberalism is well and truly over. The grand tradition of collective bargaining backed by displays of orderly militancy belongs to the days of easy profits and labour shortages, when fat imperialism allowed wage rises to be passed on to colonial markets. Once Britain had decided to join the EEC the days of Cowley Man were numbered. The militancy of the early 1970s was essentially conservative in nature; an attempt to retain past arrangements.

Even if industrial action over public sector pay cuts brings down the present Conservative government, Labour will only follow through with a more thorough attack on the working class. Even if there is an upturn in the economy before the end of the century - and it looks increasingly that there will not be - you can bet your giro that the *bourgeoisie* will not allow a fragile recovery to be compromised by a return to the old days.

Up to now the analysis we have presented has shown the bankruptcy of the current form of working class politics and organization in terms of its inadequacy in meeting past challenges. It is only when considering future problems that the political disaster which threatens the working class, if it remains in its present state, becomes clearer. The greatest challenge facing the working class is war.

INFORMATION

WARWICK INDUSTRIAL RELATIONS STUDY

The most comprehensive and up-to-date survey of work-place organization, *Workplace Industrial Relations in Transition*, by N. Millward, M. Stevens, D. Smart, W. Hawes, can be obtained from Dartmouth Publishing Co. Ltd, Gower House, Croft Road, Aldershot, Hants, GU11 3HR. Tel. 0252 331551. The book, which one senior trade union official has dubbed *Gone With The Wind*, is packed with statistics. Unfortunately, the study does not cast much light on working class attitudes and participation. For example, there are no figures on how many workers attend branch meetings or what workers think about unions. There are three boring pages on whether personnel managers are specifically designated or not, and four pages on every conceivable aspect of the professional qualifications of personnel managers, but not a word on how many of them have trade union backgrounds.

The WIRS found "a picture of widespread decline since the mid-1980s in trade union membership, recognition, collective bargaining and the closed shop. Although part of the explanation for these changes was the changing composition of workplaces, declining support for trade unions among employers and employees seemed to be a more relevant factor in the late 1980s" p.109 "The decline in [union] density between 1984 and 1990 is certainly partly explicable by the drop in the number of workplaces with 100 per cent membership and the increase in the number of workplaces with no members" p.62. The collapse of membership up to 1984 was largely due to "widespread closures of mature, highly unionised parts of manufacturing industry during the recession of the early 1980s" and "the most striking feature...is the increase in the proportion of establishments with no [union] members at all" p.60

The most significant factor in union density is management recognition. The average density for workplaces where unions are recognised is 66%, for those that don't it is 4%. p.65. In the private sector "Workplaces that were less than 10 years old recognised unions in 23 per cent of cases compared with 52 per cent of those that were more than 20 years old" p.73. With the exception of schools, there has been no fall in public sector recognition between 1984 and 1990. p. 73. In the private and public sector management de-recognition was a minor phenomena (sic). Only 3% of non-union workplaces in 1990 had recognised unions in 1984. De-recognition accounts for only 1% of workplaces. In the private sector these mainly involved small engineering firms. The figures for the trading sector are much higher. p.74-75.

Other Sources

The best source for up-to-date statistics on membership, strike activity, employment, earnings, etc, is the monthly *Employment Gazette*, Employment Department, INF2, Caxton House, Tothill Street, London SW1H 9NF. tel: 071 273 4816. For information on wage settlements, collective bargaining, etc, see Income Data Services reports, IDS 193 St. John Street, London EC1V 4LS. Tel: 071 250 3434. These publications are expensive but can be found in most union libraries and the TUC library at Congress House, Russell Street. See also *Labour Research*, 78 Blackfriars SE1 8HF, tel: 071 928 3649.

For a general discussion on trade unions in Britain see J. Kelly, 'British trade unionism 1979-1989: change, continuity and contradictions', *Work, Employment and Society*, Special issue, vol. 24, 1990. John Kelly is at the Industrial Relations Department at the LSE (071 405 7686). A useful survey of different explanations of trade union decline is David Metcalf, 'British Unions: Dissolution or Resurgence?', *Oxford Review of Economic Policy*, vol. 7, no. 1, 1991. David Metcalf is at the Centre for Economic Performance, also at the LSE. For more general work-place issues see *The British Journal of Industrial Relations*.

1. D. Bird, 'Industrial Stoppages in 1991', *Employment Gazette*, May 1992. Last year, 32 prominent stoppages accounted for 75% of all working days lost through strike action. Two thirds of all stoppages lasted no more than 4 days. See *Employment Gazette*, May 1992.
2. *Ibid*
3. Information supplied by Research Department at the Department of Employment. UK population is 56 million, 'working class' estimated as 66% of the total population.
4. *Employment Gazette*, December 1991.
5. *Employment Gazette*, April 1992 p.187.
6. According to a TUC statement in June 1992, trade unions lost 440,000 members in 1991 (of which 75% were men), and total membership now stands at 7.7 million (14% of the population).
7. Union bureaucrats regularly exaggerate membership figures since this influences their participation in inter-union bodies such as the TUC and the size of their 'block vote'.
8. *Royal Commission on Trade Unions and Employers Associations*, HMSO, 1968, p.29.
9. *Ibid*
10. N. Millward, M. Stevens, D. Smart, W. Hawes, *Workplace Industrial Relations in Transition*, Dartmouth Publishing, 1992. p.166-168
11. WIRS, p.130
12. For an alternative view, which argues that anti-union legislation has been the principle factor in union decline see R. Freeman, J. Pelletier, 'The impact of industrial relations legislation on British union density', *British Journal of Industrial Relations*, July 1990. This view not shared by the majority of commentators in the field.
13. For an exposition of this concept, which is the crux of Marx's understanding of *Capital*, see, Isaac Rubin, *Essays on Marx's Theory of Value*, Detroit, 1972.
14. The most important factor influencing union density after 'recognition' continues to be establishment size, and not the rate of exploitation nor whether workplace activity is 'manual' or 'non manual work'. WIRS, p.62.
15. D. Bird, 'International comparisons of industrial disputes', *Employment Gazette*, December 1991.
16. *Socialist* 12-25 Feb 92.
17. Henry Phelps Brown, *The Origins of Trade Union Power*, OUP, 1991, p.285-286.
18. D. Bird, M. Kiro Singh, M. Stevens, 'Membership of Trade Unions in Britain', *Employment Gazette* April 1992.
19. Between 1989 and 1990 the category which experienced the biggest fall in trade union density were 'general labourers' in all industries, which fell by 6% to 48%.
20. Income Data Services Report. No. 621, July 1992.
21. WIRS p.99

3.

THE ROAD TO WAR

"The British Government is asking for assurances from Chancellor Hitler. He will doubtless give them, for I doubt not he is a man of peace. But these questions are not decided by men. Economic forces are the big pressure which change men's minds overnight. Hamburg people live on trade, and Germany cannot pay for her imports unless she is permitted to export. And people who cannot trade will arm, and, despite peaceful protestations, they will one day use arms to get the freedom to work and live."

S. W. Alexander, City Editor,
Sunday Express, 10th May 1936

"The punitive tariffs on imports of European white wines and other farm products, which the United States now threatens to impose, are a single loaded pistol aimed at Europe. The order to fire has still to be given. If it is, Europe may well fire back and both sides will then roll out their larger cannon."

Business Section, Sunday Times,
8 November 1992

"There is fury in America over the failure of the GATT talks. They are out for revenge. Talk of trade war is commonplace. With a low interest rate and cheap currency they are well armed for it.... The Americans lived without Cuban cigars. With their excellent domestic wine, Americans can surely live without Chablis and Montrachet. The French could easily become the Cubans of the Nineties."

Alistair McAlpine, Sunday Express,
8 November 1992

Suddenly the idea of war, this time between the major Western powers, is no longer the exclusive preoccupation of those who consider rivalries between imperialist countries to be the defining feature both of global and domestic politics. Of course, there will not be war tomorrow or even the day after. An enfeebled agreement over world trade will be hammered out since it is in no-one's interest to see a collapse of the world economy. But there is now a universal recognition, and a latent fear, that such a possibility, unthinkable only a decade ago, is a danger to be considered.

Is war between the three major power blocks, the US, Europe and Japan, really possible? Surely the enormous price paid by the major powers in two world wars, in human, political and economic terms, has taught the major Western powers that war is simply not an option to be considered? Surely the prospect of a 'no-win-all-lose' atomic confrontation sets definitive limits to aggressive manoeuvres? Surely modern 'Western values' will save the world from another round of senseless butchery? However angry, a man does not stamp on an open bear trap. The choice between negotiation or annihilation leaves no room for the kind of imperialist adventures which dominated world politics before 1914.

Unfortunately, alternatives in politics never present themselves as such stark and obvious choices. Were this to be the case, politicians would not get themselves into the kinds of situations from which they are subsequently unable to extricate themselves. In a system of rivalries between nations seeking to dominate each other, the opportunism which leads to war seems a viable strategy because the short-term benefits of aggression are clear, while the ultimate dangers are not. A *fictional* example shows how, in the context of a depression of greater proportions than the 1930s, of greater instability (disintegration of Russia, the Middle East and the Third World), the major powers *can* easily get themselves into the kind of pickle no one would knowingly bargain for.

BLUNDERING INTO WAR

The Context.

The former Soviet Union starts to break up since it becomes clear that it cannot industrialise by itself and that foreign investment is not forthcoming. America is broke and Europe, i.e. Germany, does not have the resources to invest beyond very specific interests in the most industrialised parts of Eastern Europe. The only option for Russia's ruling elite is to eke out a precarious existence by facilitating foreign control of marketable parts of the country's economy. Different sections of the old bureaucracy start to colonize different resources. One such section takes control of Siberia, a region with considerable mineral wealth, with large supplies of oil, gas and cellulose, and establishes an Independent Siberian Republic. The move is deeply resented by other sections of the bureaucracy and the other republics, particularly the more impoverished ones, which are dependent on Siberian resources. The Siberian Republic's most vital objective is to protect itself, and consolidate its fragile power, by rapid industrialisation. This means developing a close relationship

with one of the major power blocs. Japan is the most advantageous choice.

Japan is also extremely keen to strike up a relationship with the newly formed Siberian Republic. Indeed, it has played a role in encouraging the Siberian elite to cohere itself as an independent state. As the crisis in the world economy has worsened the US has made more and more outrageous demands on Japan under the threat of reducing its exports. In effect, the US has Japan 'by the balls' - despite its industrial and financial power - because America and her 'sphere of influence', Canada and Latin America, are still its most important markets. This reality, and the daily humiliations and insecurity which result from it, hang over every aspect of Japanese politics. Everything; employment policy, food policy, the fortunes of the Liberal Democratic Party, reform of the political system, the level of pension payments, relates to 'The America Question'.

Japan also suffers the added disadvantage that it is poor in raw materials and all its sources are in American 'spheres of influence'. For example, the US has been pressing Iran, Japan's main oil supplier, to end its favourable long term contract. The formation of the Siberian Independent Republic electrifies the Japanese political scene. For the first time there is a real chance that Japan can shed its subservience to the US and develop its own Pacific 'sphere of influence'. The development of Siberia will also distract from the political dissension which the depression has created and allow the country to be united around a single project. *Nihon Shimbun*, Japan's leading business daily, leads with 'Japan Has A Future.' Japan *can* play a role in the world.

After a high powered visit, which includes the Emperor Akihito, the Siberian Republic and Japan sign an accord, which includes a programme of far-reaching industrial cooperation and a mutual defence clause. In exchange for a guaranteed and non-manipulative source of cheap raw materials from a politically dependent Siberian Republic, the Japanese will provide long term investment credit for industrialization. Since the same Japanese corporations which use raw materials are also those which produce industrial machinery, providing long-term credit is not a major problem.

The move is quickly identified by the United States as potentially the greatest threat to its interests. The State Department defines this in the following terms:

a) Japanese hegemony over the Pacific, even if only involving its Western reaches, would leave America 'trapped' between an ocean dominated by Japan and an Atlantic ocean dominated by Europe. It will not be long before Japanese power would deny America access to South East Asia and therefore close off a strategic route to the Middle East and Africa. In such a situation US strategy would collapse and it would not be able to defend its interests in these areas.

b) The economic aspects of the Siberian-Japanese accord are a direct attack on America's traditional control of the world's commodity markets. Even if these are not affected in strict economic terms, the Accord will nevertheless be seen as challenge by the world community. America cannot hope to counter the extreme 'independentist' pressures that the depression has put on these markets by Europe if it climbs down on Siberia. Already some Arab states are talking of establishing an oil agreement with Europe.

c) If Japan is able to industrialise Siberia, how long before

In a system of rivalries between nations seeking to dominate each other, the opportunism which leads to war seems a viable strategy because the short-term benefits of aggression are clear, while the ultimate dangers are not.

China falls under her domination? Every Asian country wanting to be a modern industrial power would be queuing to sign accords with Japan. A conjunction between the Japanese industrial power-house and 2 billion people wanting to industrialise at all costs is something the US simply cannot permit.

d) Japanese access to a source of cheap raw materials will enable it to reduce prices considerably and further challenge American markets.

Events.

The US President and the National Security Council meet to consider a course of action. Direct and immediate action is ruled out - it would only cause instability - in favour of putting the heat on Japan from all sides and 'step by step'.

a) The Chinese are to be given military assistance on the understanding that they will revive their claim to the disputed regions in Southern Siberia. This will serve as a base of covert operations involving only Chinese personnel. They will penetrate deep into Siberia to sabotage industrial targets and monitor what the Japanese are up to. These operations will also slow down the pace of Japanese involvement since Siberian labour will have to be drafted into the army. The Chinese are to be given strong assurances (but only verbally) that in the event of escalation the US will back them fully (which the US has no intention of doing).

b) The Russian republics and disgruntled sections of the Russian bureaucracy are to be given military and economic aid, also with the understanding that they will harass Siberia. Otherwise as above.

c) Siberia's ruling junta is not a politically coherent leadership as it is composed of a variety of opportunist elements; the old CP, the economic mafia, the military industrial complex. They are not united by nationalism but by the prospect of plundering Siberian resources. Many are not Siberians at all. Through covert channels a clear message should be sent to them that the US has no intention of allowing a Japanese-dominated Siberia to exist. If the Republic renounces the Accord, and declares an 'open door' policy on Siberian resources, it will enjoy American support and aid.

d) A display of force. It is necessary to call Japan's bluff in a way that impresses upon it, and the world community, that the US is still the major military power. It has to be done now, while Japan is unsure of its move, and before it has committed itself more deeply. This can be done with a controlled act of aggression which humiliates Japan, but allows it to back down. The whole affair can be patched up afterwards. The National Security Council asks the Chiefs of Staff to come up with a proposal.

Chief of Staffs Proposal: That a section of the US Pacific

fleet is sent to the Far East 'on exercise' and a 'good will' tour of South East Asia. The fleet will sail through north Japan and into the Sea of Japan where it will undertake 'exercises'. An incident will be staged in which one of Japan's ships will be sunk. Japan will be forced to climb down and the fleet will sail on to Hong Kong (now Chinese controlled) where it will receive a rapturous welcome from the population. The Chinese will be reassured of American protection against their traditional enemy. The fleet will then sail to South East Asia to assure America's friends in the region that it is not a spent force.

In the course of these discussions the President asks his Chief of Staff for an assessment of the dangers involved. He is assured that the task force will be protected by the Super-Patriot system. This is a development of the Patriot surface-to-air missile system which proved so effective in the Gulf War. The new system incorporates a sophisticated radar system which will throw a 60 mile protective shield around the fleet. In addition to ship-based missiles, Patriots can now be launched from B-52s, at least 6 of which will hover over the fleet at all times. In the unlikely event that enemy missiles are not intercepted by ship-based Patriots they will be caught by the B-52 back-up system. This will ensure 100% protection from anything the Japs have. CIA reports, based on very high level sources within the MITI, and the monitoring of Japanese missile testing, indicate that although they have made significant advances in missile technology they are still unable to deal with a comprehensive defence system such as Super-Patriot.

On the basis of these assurances the US President commits the fleet. The whole affair will be wrapped up before Thanksgiving Day and the President can go off to do some fishing.

News of America's naval operations causes alarm in Japan. The Foreign Ministry issues a statement declaring that the decision cannot be interpreted in any other way than as an unfriendly and bellicose act. The Japanese Cabinet and High Command meet to assess the situation. Their main considerations are:

a) both the Chinese and Russians do not have any real war aims. They are simply opportunists. If Japan does not assert itself and simply backs down, both will invade Siberia within days. Aerial reconnaissance shows that both powers have made significant troop and heavy artillery movements on the Siberian border since the American declaration was made. A marked increase in radio traffic also indicates that something is up.

b) The threat of war has caused disunity within the Siberian Government. The weaker elements want to sue for a compromise. Japan must show determination, otherwise the Siberian government will fall apart.

c) The depression has caused increasing industrial unrest and the Socialists and New Party are continually gaining ground. They argue that Japan is spending billions of Yen in Siberia while the Japanese people are unemployed and suffer shortages of all kinds. If the Siberian project fails, the government will inevitably fall and Japan's aim of conquering a place in the world will be discredited forever. Conversely, if Japan shows resolve and wins, we can show that Japan can become a great nation and that present sacrifices will not be wasted. We will be able to cohere a nationalist block behind us that will consign the socialists and the pacifists to the dustbin.

Considering the above, Japan has no choice but to keep the US fleet out of the Sea of Japan. However, Japan must not be seen to act in an aggressive manner. This would only unite the Western powers against it and cause concern among friendly Asian countries. A compromise is necessary. The US fleet should be allowed to sail without hindrance, but the Japanese Navy will escort it at close quarters. This will show that Japan has an 'open seas' policy but that it is determined to protect its interests. The Navy's 'rules of engagement' will be that any American ship displaying hostile intent will be attacked. Diplomatic channels should make this clear to the Americans (this is received in Washington and treated as bluff) since Japan's purpose is to avoid an incident.

As the US Navy sails through the Sea of Akhotsk on the way to the Sea of Japan, an accident occurs in which a US frigate rams a Japanese fishing trawler in foggy conditions 45 miles off the coast of Abashiri province. A CNN film crew, which has been invited to accompany the US fleet by the State Department, films the aftermath of the event and flashes pictures worldwide via satellite. Though Washington issues a statement regretting the incident, the American media can barely hide its jubilation. The Japanese government only responds with the usual complaint. This is interpreted in Washington as a sign of a Japanese climbdown.

The Chinese and Russians also note Japan's 'climbdown'. Fearing that if Japan backs out they will lose American support, and thus lose the opportunity to establish their claims on Siberia, both countries advance into Siberian territory. Japan immediately denounces the incursions and calls on the US to condemn the aggression and for an immediate meeting of the UN Security Council. The US State Department issues a statement saying it is 'considering the matter'. Not wanting the Security Council to be in session while the planned attack on the Japanese Navy takes place, the US makes behind-the-scenes moves to ensure it does not convene (UK and France declare that they deem it necessary to ask Russian and China for 'clarification' before talks begin). The Secretary General of the UN is packed off to Moscow and Peking to 'ascertain more closely the Chinese and Russian positions'. Urgent attempts by the Japanese Ambassador in Washington to gain an audience with the Secretary of State are turned down.

The Japanese government meets to discuss the situation. Japan has no way of knowing if the incident is a provocation or an accident. The US response leads the Japanese cabinet to conclude that a provocation or attack on the Navy is imminent. The Northern Seas Fleet of the Japanese Navy is signaled to be on full alert, that an imminent attack can be expected and that all battle stations are to be permanently manned.

Three days later, as planned, the US Navy fires a single medium intensity missile at a Japanese frigate, the *Yamagumo*. The Japanese Navy respond immediately by firing a *Yugen* missile. The *Yugen* missile, developed by Mitsubishi Defence Industries and NEC Electronics, represents a beautifully simple solution to the marine version of the Super-Patriot system. Two missiles are fired simultaneously forming an angle of approximately 15 degrees. One has a war head, the other is a decoy. The missiles are part torpedo and part airborne and they skip alternately in and out of the water. This reduces the missile range, but it totally confuses the Super-Patriot's computer system which is unable to predict its trajectory in time to accurately guide its anti-missile weaponry. This error is the product of reliance on conventional wisdom. The computer was designed to deal with lots of incoming

missiles, but not two missiles with an odd double act. The *SS Enterprise* sinks.

America goes bananas. Press headlines scream, 'Pearl Harbour 2', 'Samurai missile sinks *SS Enterprise* in unprovoked attack', 'Japs torpedo good-will tour', '"Japs Fired First" says *SS Enterprise* Survivor', 'Jap Secret Weapon Sinks Carrier'. "Its War" - says State Dept. Official'.

Raytheon, the company which makes Super-Patriot, is in considerable trouble. To counter criticism it uses its press connections to plant a story. The next day the *Washington Post* leads with the headline, "Japs Knew Super-Patriot Secrets" - Navy Department Says." Apparently, the Japanese, who were at least a decade behind in missile delivery technology, had a high level spy within the American administration. Inside the same edition, under the headline, 'We Shall Return', the editorial ends ominously with the following words, "By devious and illegitimate means Japan has circumvented the most up-to-date in American military technology. She now possesses a powerful weapon aimed at the heart of America's and the world's interests. The only thing which now stands between the expansionist designs of Japanese imperialism and the free world is the atom bomb".

The National Security Council meets in permanent session. Someone starts talking about using little atomic bombs against Japan to convince her that the US is willing to use nuclear weapons. "In this way we can avoid a nuclear confrontation and yet prevail...."

A simple exercise in imperialist power politics has turned into a nightmare from which neither side can now back down.

If this piece of fiction seems uncannily realistic it is because it is inspired by the history of such engagements since 1945. The Suez fiasco of 1956 is illustrative.

Contrary to legend, Britain and France executed an almost perfect amphibious operation. Nasser's forces were routed. It was in the political arena where serious miscalculations were made. Contrary to more level headed advice from such establishment figures such as Sir Anthony Nutting, Nasser was not unpopular among Egyptians and 'a little pressure' would not 'do the trick'. Britain also calculated that America would be bounced into support once the show was on the road as the US would side with a favoured ally rather than a troublesome colonial like Nasser. The Americans, who were anxious to displace British influence in the Middle East, did not disabuse them of the idea. Once Britain and France were committed to battle, the US simply let it be known that it would not be willing to back the Pound in the event of a Sterling crisis. Sure enough, there was a run on the Pound, and Britain was in America's palm.

The last decade has been particularly rich in examples. Consider the Malvinas War over a set of islands which the British Government had already decided were to be returned to the Argentinians. Consider US policy over Iraq and Kuwait, where a US ambassador complained that she did not expect Saddam to take *all* of Kuwait. No even Saddam calculated on taking Kuwait City, but once hostilities started the protection of the Rumailia oil field made it inevitable. Consider Yugoslavia, where German and Austrian business lobbies forced EC recognition of Croatia, a move now universally recognised as a blunder. For those unconvinced, the example of how the US got involved in Vietnam is illustrative.

VIETNAM

Anti-Colonial Imperialism

American policy towards Vietnam in 1945 was broadly 'anti-colonial', though not anti-imperialist. Colonialism would only be a source of instability. "How do they [the colonies] belong to France?" argued Roosevelt "Why does Morocco, inhabited by Moroccans, belong to France? Or take Indo-China. The Japanese control that colony now. Why was it a cinch for the Japanese to conquer that land? The Native Indo-Chinese have been so flagrantly down-trodden that they thought to themselves: Anything must be better than to live under French colonial rule!"¹ US policy favoured the development of a genuinely independent nationalist Vietnamese *bourgeoisie*, since an 'open door' policy would facilitate America's informal control. Britain, whose own Empire was also under threat and was consequently keen to help the French re-colonise her South-East Asian territories, was warned not to assist in a return of French rule. Lord Halifax, the British ambassador to Washington during the war, relayed the US President's words, "The poor Indo-Chinese had nothing done for them during a hundred years of French responsibility, no education, no welfare. They were just as poor as they had ever been, and there was no reason why this state of affairs should be allowed to go on. His idea was that the Indo-Chinese, who were not yet ready for elective institutions of their own, should be placed under some United Nations trusteeship whose duty it would be to educate them on towards the ability to govern themselves."² Aware of American policy Ho-Chi Minh and the nationalist Vietminh made contact with the US State Department via Laurie Gordon, a Texaco representative based in China. The OSS, the precursor of the CIA, responded with military assistance. Between 1945 and 1946 Ho-Chi Minh sent 8 letters to Truman and the US State Department asking for America to help with decolonization and proposing a 'deal'.³

Colonial 'Old Hands'

Britain and France were tenacious in defending their interests. On 8 August 1945, Ernest Bevin, Foreign Secretary to the glorious socialist Labour Government, signed a secret 'you scratch my back' colonial restoration agreement with France. Two weeks later the RAF parachuted J. Cladille, the French commissioner-designate, into Vietnam. During September crack units of the British and Indian Army established themselves, with Japanese help. On 22nd General Gracey, in command of British operations, made his move. The British Army armed the French, including former collaborationists. The following day they organised a *coup d'etat* which unleashed a campaign of utmost brutality against the Vietminh.⁴ After the shock of initial defeats the Vietnamese re-

"The poor Indo-Chinese had nothing done for them during a hundred years of French responsibility, no education, no welfare. They were just as poor as they had ever been, and there was no reason why this state of affairs should be allowed to go on."

F.D. Roosevelt

"I am frankly of the belief, that no amount of American military assistance in Indochina can conquer an enemy which is everywhere and at the same time nowhere, an 'enemy of the people' which has the sympathy and covert support of the people."
J.F. Kennedy

"...the security of French Indochina is vital to the security of all South Asia... the war should be continued and brought to a successful conclusion."
J. F. Kennedy

grouped and started to fight back. The US was aware that the rebellion was nationalist in content and had been provoked by France. "The whole history of the Communist Vietminh revolt" argued Edwin O. Reischauer, US ambassador to Japan during the Kennedy administration, "indicates that it rested more heavily on nationalism for its mass support than on Communist dialectics."⁵

First Entanglements

Yet the situation was now increasingly dominated by the need to establish law and order. A sudden collapse of French colonial power, however decrepit and illegitimate, might create a situation the US could not hope to influence. A nationalist victory would leave America with few bargaining options. It might send the wrong message to other nations wanting to shed their colonial yoke. A refusal to help the French might also turn French and British domestic opinion against America and this would impair American policy in Europe. By March 1950 the US was pressuring the French, the power they had vowed not to see restored, not to sue for peace with the Vietminh.⁶ The French made it clear that they could not hold the fort by themselves. The following month Secretary of State Dean Acheson announced that the US would be sending "economic aid and military equipment in order to assist them [the French] in restoring stability".⁷ In June Truman announced "the dispatch of a military mission to provide close working relations."⁸ By 1954 the US would be spending \$954 million in military aid.⁹

Warning Bells

America's 'tangential' involvement in Vietnam was not without misgivings. Andrew Roth, of the New York *Nation*, reported that "In Saigon last month I asked a prominent member of the French-sponsored Bao Dai-Xuan Government how many Vietnamese supported his regime. 'Probably about one per cent', he replied frankly. 'Almost 90% favour Ho Chi Minh's resistance Government'".¹⁰ Another early critic of American policy, one Senator John Kennedy, also back from a visit to the region, was moved to express his disgust, "In Indo-China we have allied ourselves to the desperate effort of a French regime to hang on to the remnants of

empire. There is no broad, general support for the native Vietnam Government [Bao Dai] among the people of that area"¹¹. Three years later Kennedy was to comment prophetically, "I am frankly of the belief, that no amount of American military assistance in Indochina can conquer an enemy which is everywhere and at the same time nowhere, an 'enemy of the people' which has the sympathy and covert support of the people."

Defence of the West

Yet none of these considerations were to prevent the very same people who held them from getting America embroiled in a full-scale war. Even as the US was providing massive logistical support to French troops defending the Dien Bien Phu military base in February 1954, President Eisenhower could assure himself that "no one could be more bitterly opposed to ever getting the United States involved in a hot war in that region than I am." He could not "conceive of a greater tragedy for America than to get heavily involved now in an all-out war in any of these regions, particularly with large units."¹²

Nevertheless faced with a prospect of the imminent defeat of French colonialism, American policy was to quickly change its mind. The following month Kennedy, in a speech to the US Senate, was to argue that "the security of French Indochina is vital to the security of all South Asia". He opposed the idea of peace talks in Geneva, "the war should be continued and brought to a successful conclusion".¹³ Six days later Admiral Radford, the Chairman of the Joint Chiefs of Staff, and Secretary of State Foster Dulles urged the US to send 500 planes with tactical atomic bombs to save the French and nuke Peking if the Chinese got involved.¹⁴ Admiral Radford had prepared a memo on 'Studies With Respect to Possible US Actions Regarding Indochina', in which he stated that "The employment of atomic weapons is contemplated in the event that such a course appears militarily advantageous."¹⁵ General Charles Willoughby, MacArthur's director of intelligence, proposed the use of nuclear weapons "to create a belt of scorched earth across the avenues of communism to block the advance of Asiatic hordes."¹⁶ Such moves were opposed since they did not have wider international backing. Foster Dulles instinctively knew which ploy to use to get it. According to Anthony Eden, the British Prime Minister at the time, "The American Government approached the French and ourselves with a new proposal. This was to the effect that all countries concerned should issue, before Geneva, a solemn declaration of their readiness to take concerted action under Article 51 of the United Nations Charter against continued interference by China in the Indo-China war. We were informed that the proposed warning would carry with it the threat of air and naval action against the Chinese coast and of active intervention in Indo-China itself".¹⁷ Foster Dulles did not get his nuclear war, but, "We have a clean base there now, without a taint of colonialism. Dien Bien Phu was a blessing in disguise."¹⁸ For a while, it appeared that America had consolidated its position and it set about propping up a the hated Diem regime. In 1957 Diem held 'elections'. The US advised rigging the ballot to produce a 60% vote for Diem. Diem insisted on 98%.¹⁹

During the early Sixties the Vietcong bounced back, better trained, better equipped, and with a 'people's war' strategy that would ensure its ultimate victory. The war sucked in more and more American troops. In 1962 the British counter-insurgency expert and butcher Robert Thompson was hired to advise on a 'strategic hamlet programme'. This involved uprooting the peasantry and forcing them to settle in fortified

The liberal case against the possibility of war rests solely on the notion that good reason will prevail and Western powers will not engage in activity which is against their interests. The Marxist case is based on the idea that it is precisely the defence of such interests which will drag them into confrontations whose consequences are unforeseen.

'Agrovilles' which would deny the Vietcong support and resources. The programme so antagonised the Vietnamese peasantry that it proved to be a boon for the Vietcong. In an effort to escalate the war, and seek wider approval, the US Navy inspired an 'incident' in the Gulf of Tonkin in August 1964. Hand-picked press hacks gave a vivid and running commentary of a Vietcong attack. No such attack took place.

By the mid-Sixties Defence Secretary McNamara was informing Johnson that the war could not be won. Efforts were made to 'Vietnamise' the war. "We are not about to send American boys nine or ten thousand miles away from home to do what Asian boys ought to be doing for themselves." But there was no South Vietnamese Army. "The guns and the bombs, the rockets and the warships, are all symbols of human failure," LBJ told students at John Hopkins University, "They are necessary symbols. They protect what we cherish. But they are witness to human folly".²⁰

But America now had no options. In the opinion of General Maxwell Taylor, the commander of US forces in Vietnam, "If we leave Vietnam with our tail between our legs - the consequences of this defeat in the rest of Asia, Africa, and Latin America would be disastrous."²¹ Johnson aide John T. McNaughton re-defined US war aims as "70% - To avoid a humiliating US defeat (our reputation as a guarantor)" and "20% - To keep South Vietnam (and then adjacent) territory from Chinese hands".²²

In an atmosphere of pessimism and defeat Washington became susceptible to any cock-n-bull strategy which the military and the planners could dream up to win the war with just one more push, one more sacrifice. In 1965 Maxwell Taylor launched 'Rolling Thunder', an obliteration by bombing campaign which he claimed was aimed at "changing the will of the enemy leadership", and proving that "wars of liberation" are "costly, dangerous and doomed to failure". It was the beginning of a desperate 'chuck-everything-and-everything-at-them' strategy that was to end with the blanket B-52 bombings of North Vietnam, the chemical war programme and the indiscriminate 'Phoenix' extermination programme. In a fitting epitaph to the American involvement in Vietnam, Richard B. Russell, a prominent CIA strategist and planner, and the man responsible for the Bay of Pigs cock-up, was to state, "we have made every conceivable blunder."²³

No other single event did more to undermine America's global supremacy and to cripple her economy. When America sent its first military 'advisors' in the 1950s, it was the undis-



puted military, economic and financial leader of the world. A few months before the war ended in 1972, Richard Nixon was forced to put an end to the Bretton Woods system because America could not sustain the economic legacy of the war. It should never have happened. But it did because even a dominant power could neither predict, nor escape, the outcome of war.

Faith

The hope that Western diplomacy is far too astute to engage in war is not backed by history. In the end the liberal case against the possibility of war rests solely on the notion that good reason will prevail and that Western powers will not engage in activity which is against their interests. The Marxist case is based on the idea that it is precisely the defence of such interests which will drag imperialist powers into confrontations whose consequences are unforeseen. Imperialist powers do not develop policy on the basis of the ultimatum categories of socialist or liberal pacifism - survival or nuclear holocaust - but in response to immediate pressures. The results of violence and the threat of violence are predictable to a degree: submission, passivity, compliance. But beyond a certain point such pressures can have the very opposite effect.

The world depression provides the backdrop for such developments. It is obvious from the preceding sections that with its present politics and its organizational forms, the working class is in no position to meet such challenges.

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3. *The Pentagon Papers* New York Times edition, pp. 2,4,8,26.
4. See George Rosie p.61
5. quoted in John Spanier *The Truman-MacArthur Controversy and the Korean War*, Harvard UP 1959, p.240
6. *Le Monde* 13 April 1950.
7. Theodore Draper, *The Abuse of Power*, Secker and Warburg, 1968, p.31
8. *The Truman Memoirs* vol. II p.399
9. see William Blum, *The CIA, a Secret History*, Zed, p.368
10. 8 Jan 1949.
11. John F. Kennedy, *Strategy for Peace*, 1960 p.89.
12. quoted in Draper, p.22.
13. quoted in Draper p.42.
14. C. W. Mills, *The Power Elite* p.211, also G. Kolko, *The Limits of Foreign Policy* p.81.
15. *The Pentagon Papers*, p.46
16. *The Times*, 2 June 1945.
17. Anthony Eden, *Full Circle*, p.31.
18. Blum p.139
19. *Life Magazine* 13 May 1957
20. quoted in Draper, p.10
21. *The Pentagon Papers* Vol II p.33.
22. March 1965. *The Pentagon Papers*, Vol III p.695.
23. quoted in Draper, p.10

4.

THE RE-MAKING OF THE ENGLISH WORKING CLASS

The previous sections have argued that working class politics and organisation have been largely shaped by the changing nature of capitalism and the dominance of *bourgeois* politics. If the working class is to play any role in history, apart from being the blind beast to which *bourgeois* politics must pay some attention, then it must play an active and conscious role in re-making itself. The two factors preventing such a development are the narrowness of working class experience, and therefore of its consciousness, and the inability to define its interest in opposition to those of imperialism.

Class Consciousness and 'Totality'

The paucity of Left thinking is revealed by examining the strategy for revolution which is implicit in its politics and method of working. This usually runs along the following lines. Workers do not take political action in defence of their historic class interests because they are dominated by *bourgeois* ideology. As the 'crisis of capitalism' worsens, workers are forced to take action in defence of their basic living standards. The economic struggle is a clash between opposing interests, 'theirs and ours', which through confrontations and strikes leads workers to start questioning their adherence to *bourgeois* ideology: their practical experience and ideas come into conflict. By itself the 'trade union' struggle cannot achieve greater objectives, but it does provide a foothold for Socialists to introduce politics to a more receptive working class. As strike activity becomes more widespread, Socialists can unite and focus the struggle around political issues (general strike, 'down with the government'). Thus a direct link is established between the every-day 'economic' struggle and the worker's ultimate political objectives.

This linear model belongs to the late 19th century, which saw the emergence of an exceptionally strong mass trade union movement in Germany, France, Belgium and Britain and when the predominant concern of Socialists was the general political education of the working class. As the ruling classes of Europe trembled at the birth of such a movement, Socialists were led to believe that trade union power could be directly translated into political power. In other words, an accumulation of the industrial struggles could lead to victory. As a result, the Socialist movement split along two versions of the same strategy. On the right, Eduard Bernstein and the majority of the German trade-union movement argued that the industrial struggle had become so effective that risky escapades such as attempting to overthrowing the state were no longer necessary. Industrial action should be used as a battering ram for legislative and social reform, with extra-parliamentary struggle being complimentary to the parliamentary or 'legal' struggle. On the left, Rosa Luxemburg and the SDP Left minority argued that the 'parliamentary' road

would yield nothing lasting since capitalism had only managed to postpone its crisis by exporting its unsold surplus to the colonies. Industrial action, in the form of a general strike movement, should not be used for piecemeal reform but for revolution.

As a consequence, what had been the traditional political culture of the working class, based on a multiplicity of popular organisations and practices (city-wide movements, ward associations, political clubs, discussion circles) which addressed the working class as a *political class in society* and drew its attention to the *crisis of bourgeois society as a whole*, rather than the worker's individual situation, was abandoned. This had been the practice of popular politics of all revolutions between the French Revolution and the 'Paris Commune'. Rather than attempting to build an escalator between a worker's particular situation and preoccupations and large political problems the *Communist Manifesto* of 1848 addressed the working class as a historic class, knowing that the working class was quite capable of drawing its individual consequences on its own.

Altogether misrepresentation of R.L.
In Britain the idea of working class politics, and therefore a concept of revolution, has never gone beyond the two options represented by Bernstein and Luxemburg's 'General Strike Debate'. The argument is often presented as an option between 'reform or revolution', between Labourism and the radical Left, and between the soft and hard Lefts. In whatever form, the Left has always addressed the particular situation of workers, which is why it always appeals to the 'unity' of the working class. 'Unity' meaning a mass of individual and sectional needs.

Both of these 'trade-union' strategies are essentially *quantitative* and mechanical approaches which take no account of the *qualitative* changes necessary within working class consciousness, and the process by which this comes about. The theory, as expounded by Rosa Luxemburg, makes two connections. The first claims a connection between economic crisis and strike activity (the immiseration thesis of the Second International). The second suggests that increasing strike activity leads spontaneously to the politicisation of the working class.

In addition to the fact that no revolution, or attempted revolution, has ever taken the form of 'economic crisis leads to strikes, which lead to a general strike, which leads to revolution', the history of the 20th Century has demonstrated that there is no significant connection between economic crisis and politicisation. This is why fluctuations in the FT 100 index are no guide to the level of working class consciousness. Every modern revolution, or upheaval, since the French Revolution has been the product of a social crisis brought

about by factors distant from trade union or sectional concerns. The post-war experience is full of examples of very bitter trade union struggles which left working class consciousness completely unchanged. The sectional, narrow outlook, and the bourgeois, nationalist mentality it harbours, is not incompatible with bloody battles with the police or even bringing down Tory or Labour governments.

N.B. *general strike v Mass Strike*
The politics of the general strike do not represent an abolition of narrowness and sectionalism just because millions of workers happen to be participating in it. In fact they are a celebration of such sectionalism, and a continuation of it by other means. The idea that if we all 'get together' we can achieve 'more' is not a revolutionary one. It is the product of basic social experience and while it is a step forward from the rabid individualism of bourgeois culture, it does not necessarily represent a change in political consciousness. The sectionalism of the labour movement cannot be overcome by a quantitative leap. A sad illustration of this was the recent mammoth London demonstration in support of the miners: 200,000 people marched through the West End shouting 'Down with Major' and 'general strike now!' only to end up in Hyde Park singing 'Jerusalem' (twice) in an atmosphere more appropriate to a Billy Graham evangelical rally.

That the trade-union struggle can never provide a vehicle for a fundamental change in working class consciousness is tacitly admitted by the Left (in informal discussion), but constantly denied in practice. If pressed for an answer, it is usually that at some point in the crisis (i.e. a strike wave) the 'revolutionary party' will zoom in to 'provide the politics' in much the same way as the SWP provides every demo with placards and stickers. This is not a solution but an abdication of the problem since it does not explain how a revolutionary organisation can develop and gain an influence among the working class in the first place, how it becomes a real social phenomenon. Any revolutionary strategy which depends on the prior existence of a revolutionary party only expresses a mechanical understanding of the problems of working class consciousness and inevitably leads to either substitutionism or tail-ending, or both simultaneously. At best, this strategy sees the politicisation of the working class as a teaching exercise. Long before the working class is willing to follow a revolutionary organisation it must have undergone a process of politicisation which represents a readiness to make a fundamental break with bourgeois society. If history is the product of real social forces then this must be primarily explained, though not exclusively, without recourse to a revolutionary party.

The Marxist theory of class consciousness was comprehensively developed by Georg Lukacs's *History and Class Consciousness*, and we have no pretensions to improving this work. Lukacs's most important contribution was the concept of *totality*. Though a multifaceted concept, its essential wisdom was that an understanding of society and politics could only emerge from an understanding of the view points of all classes in society. As such it addressed the key difficulty of class consciousness; partiality or 'one sidedness'. The dominance of bourgeois ideas is not the product of schooling or 'the media' but the partiality of social experience which affects all classes and is itself derived 'spontaneously' from the narrowness of a social system based on market relations.

To take a practical example, a worker's experience of an exploitative boss does not lead him or her to conclude that capitalism is exploitative, nor that it is a specific social form. It

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may well only lead him to see 'his boss' as an exploiter. Neither is there any direct connection between exploitation and class consciousness. The more exploitative the boss may be, the more it may lead the worker to conclude that 'his boss' is a bastard and that he should seek an employer who pays a fairer wage. Even if such feelings become widespread and leads workers to see things in terms of 'them and us' or 'the rich and the poor', it is still a far cry from class consciousness. Only larger events, which cast aside workers' individual preoccupations and allows them to see the distinction between different class positions, forcing them to define the interests of the working class, can lead to class consciousness.

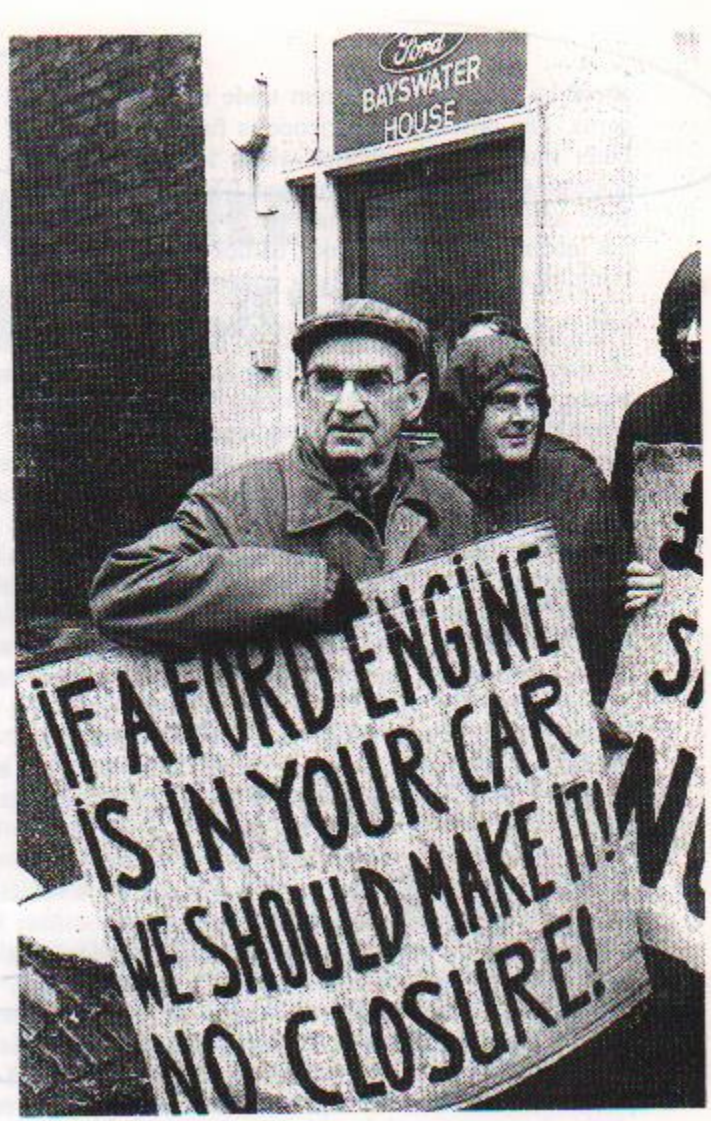
Despite her faults, Rosa Luxemburg understood the process well. A revolutionary crisis, she noted, transforms the worker "from a provident family man demanding support into a 'revolutionary romantic' for whom even the highest good - namely life - not to speak of material well-being - has little value in comparison with the ideals of the struggle." In comparison, trade unionism and the politics of the begging bowl, however radical, only drag the worker back to his little niche.

Every worker in whom a revolutionary consciousness begins to stir wants to break out of the suffocating and stultifying atmosphere of the factory, to explore the world around him, to discuss and argue ideas with people from different walks of life, to read, and above all to write. The revolutionary worker will always be a loner who finds him or herself uncomfortable with his class for he understands that the working class must cease to be a class, and must cease to revel in its condition. Who does he meet at the factory gate on his way out? A scruffy middle class activist with a fake working class accent who wants only to talk about wages, unions and the possibility of strike action; in short, someone wants to push him right back into that condition. A revolutionary worker can only despise the Left. On finding no arena for 'ideas' the revolutionary worker will either recede into passivity or drift into any wayward activity or hobby that seems to ensure their sanity. It is a sorry comment on Socialism in Britain - a country with one of the most educated working classes in the world, where most workers who want to have access to

VICKY
AFTER THE FAMOUS
RECRUITING POSTER.



• Four decades separate these two illustrations, yet the politics remain exactly the same. Above, *New Statesman* cartoonist 'Vicky' lampoons Enoch Powell, Minister of Health, for encouraging Commonwealth immigrants into the NHS. Left, Ford workers in Britain argue that they, not German workers, should produce the company's engines.



'ideas', that it has never managed to create working men and women of ideas. With its hide-bound workerism the Left can only ride the wave of working class rebelliousness (the rank & file movement of the 1970s), cheat workers (the traditional *Militant* tactic), or recruit them by being 'friendly' (most of the 'soft' or entryist Left). But it can never nurture a working class leadership in its own right.

It is not surprising that the only two occasions this century when the British working class has taken its first independent steps, and started to define what was important *for itself* rather than what was in the 'national interest', was in the aftermath of the two world wars. In the course of the First World War, a war which the majority of the working class enthusiastically supported, a significant section of the working class was forced to define its interest as opposed to those of the ruling class. Though it did not last long, and was waylaid by a sectarian and inexperienced Communist Party, the war created the beginnings of a revolutionary ideological current within the working class, the like of which has never been seen since. By the Second World War, the ruling class had learnt something from the consequences of the 1914-18 war and prevented social tensions from boiling over by making major concessions in time.

The 'Bernstein-Luxemburg' debate on the general strike has diverted revolutionary Marxists into a cul-de-sac. Its first calamity was Socialism's support for the First World War and its present one is shown in its total inability to defend itself from attacks resulting from the economic crisis. The emergence of trade-unionism as a *political strategy*, both in its re-

formist and radical forms, banished from Marxism a broader understanding of the ideological emancipation of the working class. The nub of our argument is that the dominance of trade-unionism and the sectional approach of Left politics does not represent the politics of an ideologically under-developed working class in its primary stage, but is a deviation brought about by the Western labour movement's incorporation into the *bourgeois* politics of the imperialist epoch. This tradition cannot be developed, it must be overthrown.

Class Politics & Imperialism

Since the factors which threaten rivalry, aggressive action and war in the future are well known it is not necessary to dwell on them at length. Everyone knows that American dominance has ensured a kind of peace which has avoided confrontation between the major powers, even if the Third World has borne the consequences of such 'stability'. Everyone knows that the US is no longer able to play this role and that the world economy and diplomacy is slowly re-defining itself into three economic, political and military blocs. Few can still harbour any illusions that the United Nations can play any mediating role. The consequences of a protracted and intractable world depression are also clear. "Sorry, but times are hard" - as they say.

Yet none of these things should cause as much alarm as the unprepared state of the working class in the face of such problems. Whether the working class can or cannot achieve Socialism is not a matter that can be dealt with here, but what is certain is that it provides the only effective constituency to oppose aggression and war. Today, no Western country can

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boast of an anti-imperialist tradition within the working class, even as a minor ideological current. In no major Western country is there even a political organisation which can act as a beacon to rally sufficient forces to prevent jingoism and 'war talk' completely smothering working class politics. It is necessary to face up to the fact that in the event of aggression or war the whole of the 'labour movement' would actively support the 'national interest'.

To avoid misunderstandings, particularly the common confusion between 'anti-colonialism' and 'anti-imperialism' it is useful to spell out clearly what we mean by the term 'imperialism'.

Lenin's most distinctive contribution to Marxist politics was to have argued that rivalries between imperialist powers were unavoidably the defining characteristic of class politics in modern Western societies (a situation most Third World countries know as a fact of life). Trotsky's theory of 'permanent revolution' had done much the same for colonialised or dependent countries.² In short, the 'bread and butter' issues of the 'home front' are dominated by international considerations, because a distinction between national economies and the world economy could no longer be made and because the inter-national conflicts which it generated came to dominate domestic politics. The centrality of this 'composite picture' is a constant preoccupation of Lenin's *Imperialism*, without which the Marxist 'theory of imperialism' soon degenerates into either an account of colonial exploitation or the 'export of capital'.

Of course, it would be ridiculous to argue that every domestic issue is 'internationalised' and becomes an expression of inter-imperialist rivalry. It is only at times of acute crisis that this process becomes overt. Yet it is surprising how influential imperialist considerations are even in 'peace times'. The General Strike of 1926, for example, was a direct consequence of the attack on working class living standards which followed Sterling's 1925 return to the Gold Standard, itself an attempt to re-assert Britain's pre-1914 dominance. The 1925 decision was opposed by the Labour Party and the unions because it would mean higher food prices. But in its central aim, the resumption of British financial power, it was supported by all parties. During the early 1930s the 'German Question' and British support for Japanese expansion into Korea and China laid the basis for the largest political movement of the period: the Peace Pledge Movement. By 1937 rearmament became the chief focus of the labour movement's 'strategy for jobs' and the Left swung their support behind Churchill's sabre-rattling Tory minority.

The formation of the welfare state, the commitment to full employment and the 'liberal' consensus, which still dominate the politics of the official labour movement, rested totally on colonial exploitation and the drive to out-produce the German, French and American economies. The 1950s opened with an intense preoccupation over American designs on the British Empire. Leo Amery, the leader of the Tory imperialists, could argue that "The greatest threat to the British Empire is not Communism but the United States." In 1953 American skilfully muscled Britain out of its monopoly of Iranian oil. Three years later it used the Suez fiasco to edge out what was left of British influence in the Middle East. Two years later Britain was making intense efforts to scupper the formation of the EEC.

In more recent times inter-imperialist rivalry in Britain has been dominated by Europe, an issue which has led to the resignation of 7 Tory ministers and one prime minister, and which continually dogs Major's government (and played a significant role in two electoral successes). But such tensions also dominate more mundane issues, indeed, almost every issue. If educational standards are discussed, someone will soon point out that Germany has a better system and is 'beating us' because it spends more on technical training. If a train crashes, John Prescott, the shadow transport spokesman, can be guaranteed to point out how our European competitors spend more on their rail systems. If the issue is food policy, then the French farmers are surely to blame. And remember, no German commissioner sitting in Brussels should be allowed to dictate to Britons what additives to put in 'our' crisps or what is to be done with the great British sausage. Even the current crisis of the monarchy has led commentators to point out the desirability of the European model.

Britain's declining position, particularly with respect to the Germans and the Japanese, provides the reference point for discussion of social issues to such an extent that it has become an unconscious habit of thinking. This nationalist mentality binds working class politics to the preoccupations of the ruling class, as the recent dispute over pit closures illustrated so well (the Labour Left-Tory Right link again). All Labour and trade union politics is now addressed to 'the British people' and to saving 'the British Coal field' or 'the British rail industry', etc.

The existing 'organised labour movement' is steeped in everything which is degenerate and rotten in a decrepit and declining imperialist society. Such a tradition cannot be reformed under the pressure of economic crisis.

Anti-imperialism also means the recognition that the existing forms of working class politics represent the triumph of imperialist ideology in the form of social chauvinism: the coalescence of 'welfare politics' and open support for the 'national interest'. Not only the politics of the working class, but the form of its organisations are a reflection of imperialist ideology.

Finally, and most importantly, the recognition that, given the centrality of imperialism in today's reality, an anti-imperialist struggle and opposition to the 'national' mentality is the only basis on which the working class can break loose from bourgeois ideology and regenerate itself both politically and organisationally. The existing 'organised labour movement' is steeped in everything which is degenerate and rotten in a decrepit and declining imperialist society. Such a tradition cannot be reformed, i.e. cannot 'shift to the left' under the pressure of economic crisis. To put it more explicitly, only through a struggle against nationalism and the politics of the 'party of war', within its own ranks and outside it, can the working class re-make itself.

Increasing economic crisis will not produce a renovating 'rupture'. To retain such a hope is to refuse to understand the present nature of the crisis in working class politics. It is not a case of the working class not having a socialist consciousness due to backwardness, but a result of its adherence to social imperialism and nationalism. Economic crisis will not lead the majority of workers to question 'why'. The ravages of the depression will only drive most workers to cling even more fervently to a form of politics, Labourism, which will lead them to back Britain against the world.

No socialist organisation today advocates that the working class turn against itself in this way. It runs against the grain. Every organisation repeats the litany of 'unity'. But today 'unity' means nothing but the freedom to continue along the road of defeat after defeat. A prize ticket to sail on the Titanic. Yet no political organisation can claim to have a strategy for pulling the working class away from bourgeois ideology unless it can explain, in terms of the dominant influences in society how this is to happen. This is why the Left is demoralised - it has no real vision of the future. All it can do is wait around until either a Labour government is elected or until the economic crisis hopefully forces the working class to 'do something'. This is not a strategy of leadership but an opportunistic 'running after events' in which 'politics' means little more than attaching a meaningless radical slogan to whatever turns up.

URBE ET ORBIS

The points that have been made so far also have a consequence for how the working class organises. The problem with the inherent narrowness of the trade union struggle is that it curtains workers off from the multiplicity of basic working class problems (housing, crime, social services, youth, race, oppression of women, etc.) This is another way of saying that trade unionism only caters for a very specific aspect of a specific section of the working class. A political attitude to such problems cannot be grafted onto the working class by a political organisation which has developed a position on such 'social issues'. This only leads to tokenism and lip service among workers who retain their backwards ideas.

For example, it is an oft-repeated slogan that there can be no Socialism until the rights of women, blacks, gays and other minorities are recognised. The unspoken understanding is quite the reverse: these are all complex social problems which are generally 'external' to the 'working class' (i.e. middle class) and which can only really be resolved once we get Socialism. In the mean time, if these movements want to do anything useful they should support the working class, i.e. its existing organisational and ideological structure of Labourism. A more cynical and widespread attitude among workers is that one has to reluctantly go along with these sorts of demands because they are politically correct.

The working class is not 'one class'. It achieves its own political unity by becoming conscious of the needs and oppressions of other sections of workers.

The difference between rhetoric and reality is soon exposed itself when one considers how this recognition is to occur? On the one hand, it is obvious that trade unionism can never respond so such movements, accept in a token manner. On the other, the reactionary distaste of the average trade unionist towards these movements - a diversion from the 'real' class struggle - only conceals the fact that the narrowness, parasitism, bureaucratism and self-serving nature of today's minority movements are themselves the product of a trade union mentality and culture. They are just in a different union.

Workers must dispute such questions not by being confronted with left-wing literature, but by the arguments of other workers and social groups. The working class is not 'one class'. It achieves its own political unity by becoming conscious of the needs and oppressions of other sections of workers. At the moment the working class has only two forms of organization, trade unions and 'community politics', itself just an appendage of the local state. Neither can afford it such experiences.

It might be argued that trade unions are preferable to wider based popular organisation since the first is inherently class oriented while the latter is not. After all, city-based organisations such as neighbourhood committees, discussion clubs, and 'welfares' will have to admit all sorts of people. This misses the point. It is precisely because a city-based organisation pits the worker against a variety of influences that workers are forced to define their interests in opposition to that of other sections of the population. Trade unionism does not protect the working class from bourgeois ideas by virtue of the fact that it only relates to workers. On the contrary, it blinds the worker to differences in society, i.e. to politics, and does not allow it to identify what is bourgeois and what is not. As argued earlier, revolutionary consciousness cannot be defined in terms of the interests of a single class but in contrast to the interests of all classes in society. To propose a form of popular organisation which is not particularly class based allows the working class to fight it out with its class rivals.

Of course, some will suspect that what is really being discussed here, under the guise of providing the working class with an arena for ideological struggle, is a collaborative venture of the type proposed by the *Democratic Left* and other forms of 'popular front'. Popular frontism has a very different agenda. Its point of departure is not class distinction but the convergence of class interests. Such a strategy was born of political failure; the working class' historic inability to define itself in opposition to other classes. The strategy we propose is based on the understanding that the working class can define its interests.

And there is more. Marx observed that no revolution in history has occurred without the participation of the *petit-bourgeoisie*. It has always been the defection of this class which has broken the back of the state and finally signalled to the

ruling class that the game is up. If the working class is to exert an influence over sections of the middle class, rather than be dragged along by their radicalism, which is always the first to appear in a political crisis, then it must find a form of organisation which allows it to exert leadership. Rather than protecting workers from *bourgeois* influences, narrowness of trade unionism only delivers the working class to *petit-bourgeois* projects because in a crisis the larger questions are always posed by this class.

Finally, trade unionism offers no hope of protecting the working class against imperialist ideology. While city-based structures are by no means inherently 'anti-imperialist' they do allow the working class to see the attitudes of different class, which is a good starting point.

It is not suggested that Marxists should go out and build city based organisations.⁴ Such an approach would express little understanding of the relationship between revolutionaries and the working class. Popular organisations are built by the working class and take many forms. Any attempt to artificially create new forms of mass organisation will only result in bogus structures staffed by half a dozen representatives of grouplets all claiming to be the working class but without a single example of the genuine article. The point is that while revolutionaries cannot create mass class organisations, their continued adherence to a defunct organisational and political culture is an obstacle to the working class achieving such an end. To their credit, Anarchists and such organisations as Class War, who are sometimes less hampered by Labourism, and are often more attentive to the broader reality of the working class, have begun to explore the possibility of community based structures.

Socialism in Britain

If the working class faces some enormous challenges in the near future, there is also cause for some optimism and hope. This pamphlet has been written in the conviction that the working class in Britain will make the key contribution to making the 21st Century the last century to see exploitation, backwardness, nationalist stupidity and prejudice. Today, of course, nothing could seem further from the truth. In no other country in the Western world is 'politics' and 'society' so decrepit and so 'spent'. This is a tired country with few real aspirations. Complacency, frustration, muted anger or idiocy envelopes every aspect of public life. And nowhere on earth does Socialism seem more distant. Nowhere is political commitment so disheartening and difficult to bear. Orwell said it more than 50 years ago, "But if there was hope, it lay in the proles. You had to cling to that. When you put it in words it sounded reasonable: it was when you looked at human beings passing you on the pavement that it became an act of faith".

But that's just it. A rotting society is also ripe for real change, and where people feel the need for it most acutely.

What is bad about the working class is also what is good about it. Its narrow individualism and its tradition of pig-headed 'self-reliance' has also stripped it of the cosy communalism and collective social arrangements which are misleadingly the 'strength' of workers movements in more backwards countries. This allows the working class a freer hand to explore and re-define a new set of social relationships, without the hindrance of the past cultures. Even its hamfisted greed, so often the target of *bien pensant* middle class commentary, expresses a refusal to be cheated out of its due. Chauvinism and imperialism has also made the working class aware of a world beyond the factory. Its bureaucratisation and appetite for committee work, has also given the working class some value organisational skills. Nowhere in the world is the working class better prepared to run society. We are confident that just as a revolutionary English bourgeoisie once led the World out of feudal backwardness and created the future conditions for Socialism, so the British working class will lead us into a better future. That would make the Old Man really happy!

1. See Editorial, *Analysis* No.2 Summer 1992

2. Trotsky's 'theory of permanent revolution', which in some ways had a better understanding of imperialist politics than Lenin's, argued that developing nations would not be able to pursue the same pathway to industrialisation as those in the West. The 'late comers' had to contend with a world market already dominated by industrialised nations. In addition, imperialism, both in the form of colonial domination and the informal 'imperialism of finance', would alter the relationships between the classes in developing societies and distort their economy. Since a large section of the indigenous ruling class would tend to side with imperialism, and facilitate its domination, and the nationalist bourgeoisie would always waver between anti-imperialism and accommodation to imperialism, only the popular classes could be trusted to carry out national liberation struggles. See, L. Trotsky, *The Theory of Permanent Revolution*, *Pathfinder*, and *Trotsky on China*, for a case study. Also useful is Baruch Knei-Paz, *The Social and Political Thought of Leon Trotsky*, Oxford University Press.

3. The existing form of these struggles have taken is often *petit-bourgeois*, but trade unionism, with its insistence that such movements should simply hitch their wagon to the grand locomotive of 'the struggle of the working class' (preferable right at the back) offers no solution. The working class is also female, black and gays and while Cowley Man class refuses to see this, minorities will always gravitate towards *petit-bourgeois* liberalism.

4. **Community organization.** Before anyone declares that what we are really arguing for is Gerry Healy's 'community councils', let us point out, a) Only a hack, sectarian mind rejects something because it is associated with another organization, even a discredited one. An argument stands or falls on its own merits. The essence of real debate is to criticise an idea for what it is, not to 'fit it up'. b) The WRP's 'community councils' were an attempt to build docile popular support for the local authority Left bureaucracy. For example, in Lambeth the Labour Left came to power in a palace coup. The Ted Knight team had 'connections' within the council and local CLPs, but not the kind of genuine popular support which the *Militant* once enjoyed in Liverpool. As the council came under increasing attacks from central government, and in turn was pushed to off-load cuts on to the working class, it tried to establish a link with local people. The grant giving merry-go-round produced lots of 'grab-what-you-can' takers, but little solid loyalty. So, the WRP obliged. The WRP would 'organise' and rally the 'the working class', in return for favours from the bureaucracy. The initiative, of course, came to nothing but hype and stage-managed events. Any confusion between this, and what is discussed in this pamphlet can only originate in the reader's mind.

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ANALYSIS

FORUM

Is There a Future for Trade Unions?

Sheila Cohen, editor, Trade Union News
Susil Gupta, editor, Analysis

on

7.30 pm, Wednesday, 9th December

Conway Hall, Red Lion Square

Nearest Tube: Holborn