

Solidarity

VOL 6 NO12

FOR WORKERS' POWER

- ucs and plessey
- economics of modern capitalism
- reviews

5p



THE STRUGGLES CONTINUE

U.C.S.

There have been statements from the shop stewards' committee, Union and Labour leaders all claiming to speak on behalf of the workers. Different statements have been made by the Government, the liquidator and the bosses of the new Goyan-Linthouse Company. The source of the contradictions lies in the interpretation of "maintaining all four yards with no loss of jobs" (which the shop stewards' committee claim to be their objective) and "cumulative proposals" (which they have agreed are a basis for negotiation).

The Government, having set up a new company based on two yards seem to be negotiating on a basis of splitting the four yards with no guarantees of employment for the whole work force. It is hardly surprising that UCS workers themselves find the situation confusing!

During the work-in several ships have been completed and delivered. This has helped the liquidator to realise some of the company's assets which have been inflated by funds collected throughout the labour movement (about £8,000 - £9,000 per week) to pay for work carried out by the redundant men.

If the work-in continues in its present form the liquidator has little to worry about. As more ships are completed the workers' bargaining power will be reduced and Government policy can then harden. The shop stewards' concern for 'strict discipline' and 'maximum productivity' while still taking orders from management can only weaken the workers' position.

It has been argued, in support of the present strategy, that this struggle has already saved some jobs which by this time would otherwise have been lost. We think this is a fallacy. Since the liquidator needed work to continue on the ships to realize the company's assets (and these ships have only recently been completed) there is no evidence as yet that this work-in has saved jobs.

PLESSEY

The Plessey workers at Alexandria are still occupying their factory. They have been in control since September 3, a reflection of their determination actively to struggle on their own terms against their old bosses. The employers are still unable to have any effective say in the disposal of the factory or the machines. For example, the workers are maintaining the machinery against the wishes of the company who would rather bring in outside contractors.

The Alexandria workers still have the support of other Plessey workers throughout the country who have blacked all Alexandria machinery. The Plessey management are now making efforts to find a buyer for this plant in an effort to cut their losses. Prospective buyers who say they might be interested in reopening the factory have even been shown round by the workers.

All this is a positive result of self-activity. The employers may have hoped that by playing it cool the Alexandria workers would have become dispirited and given up the occupation but their determination to continue can be seen each day in the presence of pickets, consisting of Plessey workers, their families, other townspeople and workers from other factories.

Accepting that they have been sacked, the Plessey workers are drawing unemployment benefits to reduce hardship to themselves and their families while they are occupying the factory. This does not mean they are giving up the fight, but merely that they are utilising all available resources. One worker who has found another job (an amazing achievement in this area of high unemployment) returns after work to assist in the occupation.

If the Alexandria occupation is to continue and defeat the company - rather than slowly disintegrate and die in isolation - a crisis must be precipitated by workers in other Plessey plants.

We must recognise that where management is not threatened by a crisis, as when production ceases or is taken out of their control, they may decide that occupation is best dealt with by allowing it to drag on and collapse through demoralisation rather than risk an open fight (say by using the police) which might broaden support in the community and in other factories.

The Plessey management may be adopting this position. This does not invalidate the struggle of the Alexandria workers - it only stresses the tremendous problems involved when fighting the boss who has so many options open to him. In fact the management may not play a waiting game here. They may finally attempt to move the machinery and end the occupation by force. In either circumstance the workers must continue to consolidate and enlarge their base of support.

SOME CONCLUSIONS

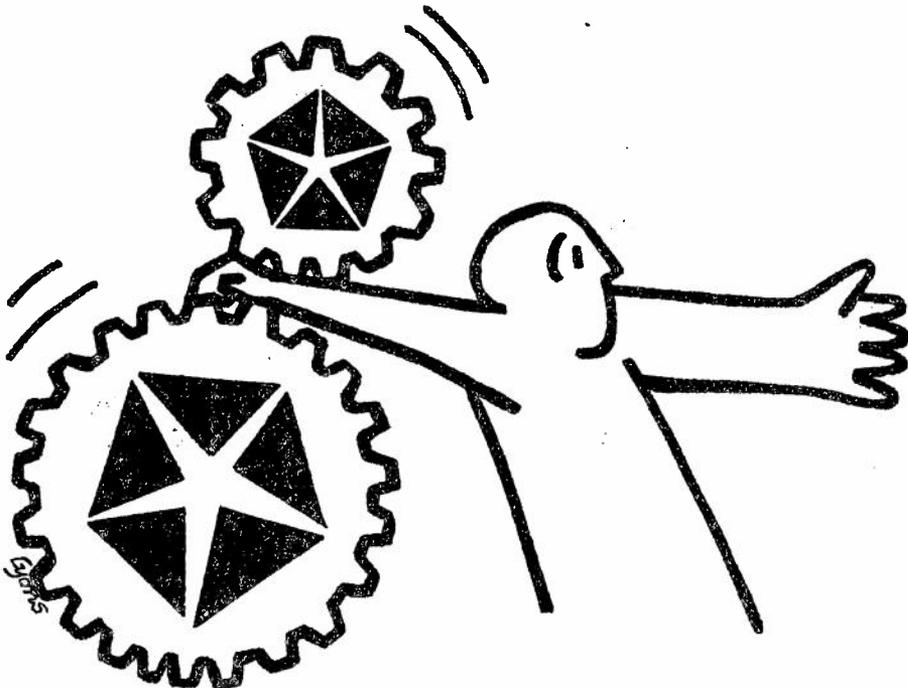
A comparison between the way in which the Plessey workers are managing their fight and the way in which the U C S struggle is being conducted reveals some sharp contrasts. If the U C S workers were to follow the example of the Plessey workers they would not only be in a better position to handle the situation now but also to determine its outcome. Simply waiting for the stewards to decide what to do - and then meeting to approve it - is a sure path to compliance. There is much which can be done here to improve the democratic process towards greater control by the rank and file. The work-in could yet be transformed into a real occupation, run democratically!

An issue to be discussed, if the men really want to keep the yards together, is how to keep ships in all the yards. This can only be done either by stopping work on the existing ships or by laying new keels. There are never any absolute guarantees. But guarantees made of paper can be torn up a great deal more easily than guarantees in steel. The recent agreement to allow new work to begin at Govan-Linthouse without any guarantees for Clydebank will seriously weaken the workers' bargaining position.

Why pay redundant workers out of funds collected from other workers in order to help the liquidator, when these workers could be receiving unemployment benefits and still taking part in the struggle, particularly if it were a real occupation, as at Plessey's?

The struggle at U C S is influenced by C P policy through the persons of Reid and Airlie and through the slogan "The fight for the right to work". Most other left organisations are saying the same thing in the struggle against redundancies. "The right to work for employers" is no real solution for workers: it is this employer/employee relationship which produces this kind of situation. The right to decide how to work and what to make can only be decided by people themselves, when they take over the factories and get rid of employers. If any slogan is needed at all it should be "the fight for the right to live without bosses", to manage one's own affairs, to decide the future, when work will be done to fulfil real needs - not to provide profit for the few.

Unless the workers themselves take a real hand in determining the objectives of this struggle we could yet again hear the old verdict, "We've been sold out". Not only must the objectives be decided by the workers themselves but also the strategy and tactics. To continue complaining about being "sold out" and not do anything about it is to shy away from one's own responsibility.



conference report

The second 'Solidarity' national conference for 1971 was held on November 14-15 in Glasgow to discuss current activities and proposals for future expansion. Theoretical discussions as to what 'Solidarity' is and about how we relate to modern capitalism also took place. In all, around 50 'Solidarity' members were present, representing all seven of the federated groups which at present form our movement.

Each of the groups reported on their current activities and expressed the urgent need to increase our influence among working people and among the 'non-traditional' milieux to which we relate. Suggestions and proposals to improve the nature, quality and graphic presentation of our stuff were made. Throughout the meetings it was made clear that our goal remained the systematic propaganda for overall self-management and revolutionary change, and not a 'recruitment campaign' (which would view the problems of society merely organisationally). But it was equally recognised that the influence of our ideas could grow only within the context of increased activity and politically conscious intervention, and that for this co-ordination was necessary.

The Aberdeen comrades continued the discussion on organisation with their proposal for a national paper. Their proposals were rejected for the time being, it being felt that few groups had as yet the resources to take on the steady production of a rotating national magazine. All agreed that there was no objection in principle to the creation of a future national magazine, and that this should be envisaged as soon as there were a sufficient number of viable local groups to sustain it. It was decided to continue temporarily as before with the London magazine providing a sort of national 'Solidarity' forum. Local groups would of course also continue with their own autonomous publications.

The same day, many comrades discussed with the Plessey workers in Alexandria, who have been occupying their factory for over 10 weeks. On the 15th, a discussion took place about modern capitalism and the nature of its crises. To Cardan's views were counterposed others, which were more traditionally marxist. The debate remained within 'Solidarity's politics. The marxist comrades rejected with vigour any concessions to Leninism or Trotskyism, 'transitional demands', etc.

Decisions were taken to help groups contribute to each others' development via a regular newsletter, speakers, more regional meetings, special conferences on specific issues. It was also decided to publish a history of our movement. Naturally, things didn't proceed as formally as we describe them here. Like in all conferences, people bickered, laughed, joked, gossiped and at night we had a good booze up. The Glasgow comrades were beautifully hospitable.

OUR MAN IN SKEGNESS

The W.N.C.C. (Women's National Co-ordinating Committee) Conference held at Skogness during the weekend of October 16-17 may prove something of a milestone in the development of the movement. Not necessarily because of the decisions taken, although some were far-reaching, but because the Conference proved able, albeit in a limited way, to change both its content and its structure in a responsive manner, when faced with the need to do so.

Unlike the I.S. conference which took place at the same time, in the same holiday camp, the W.N.C.C. conference was its participants. It was not a pre-planned schema, set up for the benefit of a passive audience who didn't really control what went on.

At the outset there was the usual platform, threatening us with the usual relationship between set speakers and floor. Politically, the conference contained all the familiar ingredients of trad left splinter groups* leavened with a sprinkling of G.L.F. (Gay Liberation Front) cum libertarians. These were soon incensed at the attempts of the marxist-leninists to steer the conference into 'politically safe' waters. On an interpersonal level the inevitable problems of individual manipulation were posed, i.e. the feints within feints of individuals/groups who, through experience and/or prior agreements, were pushing particular emotional political lines. Despite all this we had a weekend surprisingly free of bitterness (except for a maoist-GLF clash). A body of people emerged who had gained a significant degree of internal cohesion.

The first day began in orthodox fashion, with a planned plenary session. Several written papers were presented ranging widely in content and style. The Union of Women's Liberation (marxist-leninist) felt that the roots of oppression would be abolished (guess when?) with the removal of the 'private ownership of the means of social production'. This statement, backed by numerous quotes from comrades Engels, Stalin, and Le Duan (of Vietnam, no less) fell with a resounding thud, not to be heard again.

The Women's Liberation Front (maoist) decided that the key was obviously (how could we fail to see it?) 'Imperialism'. The oppression of women was all bound up with the nasty boss. Choked up in his insoluble economic contradictions, and having lost his super-profits to sundry heroic peoples in the Third World, he was turning (top hat, gold watch chain and all) on the metropolitan working class as a last desperate measure.

* For some time past these have been the dominating influence in the national structure, a structure very detached from supporting local groups.

The morning ended with a paper from the Bristol group. Although admitting to some confusion and uncertainty (surely something unique in the history of political conferences) they summed up as follows: 'Women are useful to capitalism in the following ways: producing and looking after the next generation, and servicing men; providing a low-paid labour force; keeping together the family unit, which fragments the social consciousness of exploited people and masks their common interests; conditioning the next generation to an acceptance of the same way of life as their parents'. Leading up to this perceptive statement was a preamble that was aware of, and attempted to come to grips with, the way women are defined oppressively, in a repressed society.

As the day wore on it became increasingly clear that the concept of a plenary conference (with limited and fixed seminar discussions, tied to a limited number of papers) was not proving satisfactory either in terms of 'in depth' discussion or in terms of involving any but a minority of experienced speakers and politicians.

A significant and increasing number of women (including the G.L.F. members) began to feel both alienated and manipulated by some of the traditionally oriented political groups who had assumed the role of sanctioning/approving, disapproving/invalidating the content and progression of the conference. During the afternoon a good half of the women walked out to arrange their own ad hoc discussion groups.* These at least allowed for a greater range of discussion (e.g. lesbianism, sexism, the family, etc.). People got to know each other because they could focus on each other as individuals. The context provided opportunities for those who merely wished to speak rather than to make speeches.

For the first time in a national conference, G.L.F. women were able to participate in exploring both similar experiences and false differences between themselves and their 'straight' sisters. Sadly, the gulf between those who felt 'There's nothing wrong in being gay, but I couldn't', and those who could genuinely apply the gay/bi-sexual perspective to their own feelings, seemed to remain pretty wide. More confusion arose because some lesbians seemed to feel that going beyond heterosexual relationships in itself implied greater potential freedom. The corollary of this viewpoint would be that lesbianism is a move away from submissiveness (which given the present state of male/female relationships it certainly would be), and towards a less alienated and more equal form of relating (which, given the enormous authoritarian pressures within us all, it probably wouldn't be).

* An integral factor in the growth of Women's Lib has been the spread of autonomous, consciousness-raising groups as the basic unit of organisation. This organisational form was felt to facilitate communication and minimise manipulation. Experience with it was probably the primary factor contributing both to the reaction against the standard conference format and to later dissatisfaction with the 'unrepresentativeness of the national structure'.

'If anybody was allowed to fall in love with anybody, the word homosexual wouldn't be needed: it is used now to set people off in separate categories, artificially, so they'll know who to be afraid of - each other'. (Judy Grahn in 'Lesbians as Bogey Women')

During the evening plenary session it was proposed and accepted almost unanimously that the structure of the conference for the following day should be changed: small groups should continue to meet, with a final plenary session in the afternoon.

It was during the Sunday afternoon session that the growing dissension was publicly voiced. But first there was the matter of a fairly hysterical little guy, a shadowy male member of the Union of Women's Liberation. By all accounts he had been a nuisance most of the weekend. He was firmly put out* as were all press members. By now things were jumping and nobody wanted to be hamstrung by the media (from prior experience we live and learn). Discussion centered around such topics as the role and structure of the WNCC itself. It was felt to be unrepresentative (only 40 groups affiliated) and inaccessible to the movement as a whole. In the words of one speaker, this could no longer be tolerated. A number of important resolutions relating to the WNCC were put, and accepted by the great majority (although the conference was not supposed to be a decision-making body):

- 1) That WNCC be abolished.
- 2) That national meetings be held in future twice yearly, one in the North and one in the South.
- 3) That Regional Groupings be encouraged and regional meetings arranged and that organisers for this be chosen or volunteer at this conference. (This in fact occurred, and a provisional list has been published.)
- 4) That the Leamington Women's Liberation Information Service be recognised as the central information service but without power to make policy.

If one wanted to convey the feel of the conference, rather than make an objective analysis, one might start by contrasting the atmosphere prevailing in both the small groups and the main sessions with that of the I.S. conference taking place (literally) next door.

The I.S. comrades betrayed the unmistakable stamp of the badly constipated, searching for what they imagine to be the correct political laxative (indeed, if the large amount of bullshit flying around was anything to go by, they found it). 'Comrades, we are now an interventionist group

* This was unfortunate, as it resulted in a decision to ban all men from future conferences (here, for the first time, they had been allowed in as observers).

and no longer, as last year, a mere propaganda group', cried Duncan Hallas. The whole tome of the I.S. gathering managed simultaneously to convey a rapturous revivalist fervour and herd-like passivity. Nobody was there to question, or even to think too much about what was being said. It was, and felt like, a public relations exercise to further the Building of the Party, with the bulk of the comrades present in their capacity as fodder to support the policies and pronouncements of the Center.

I don't wish to imply that the Women's Lib conference escaped confusion. I most certainly wasn't beyond criticism. But it was unmistakably in charge of its own development and did arrive at a number of decisions that bear witness to the movement's essentially libertarian character. For example the decision to abolish the WNCC reflects the political weight of the autonomous local groups. The movement's base is emphasised to the extent of considering the national structure expandable, if it doesn't represent direct and revocable links with those groups. The composition of the local groups varies enormously - some were reformist and this must be gone into elsewhere. The need for a centralised information service was recognised, but so were the dangers inherent in the coupling of this with centralised decision-taking functions. So information is hived off from policy-making, which can only be the prerogative of the entire movement.* The movement's origins dictate what amounts to a built-in awareness of individual needs. The individual is recognised as being both vulnerable and requiring support. Her emerging consciousness (and in many cases she is functioning as an independent person for the first time in years, perhaps for the first time ever) both contributes to and expresses the growth of the movement. Politically she will speak of her 'sisters', not 'the Party'. This plurality of sister and self is the counterpart to a new identity growing out of intense interpersonal relationships within the group, an identity that above all eclipses the one insinuated/imposed upon her by the men in her life.

That the organisation must reflect at every level the autonomy of the rank and file groups was clearly the central concern of the conference. Whilst the movement as a whole is still very much in danger of lurching into reformist (or 'revolutionary') cul-de-sacs in its search for a comprehensive ideology, organisationally it already has a great deal to teach the libertarian left. This can best be illustrated by these closing

* The London Workshop rotates the production of 'Shrew' (its bi-monthly paper) among all the participating groups, so that no editorial hierarchy emerges, and everyone (theoretically) gets the chance to write, edit, and work on their own paper. Organisation is further broken down into collectives comprising at least one member of every group, although the meetings are open to all members. Inevitably problems arise, such as lack of participation, finance, personality clashes, etc, but essentially the Workshop remains open and non-authoritarian.

extracts from 'Organising ourselves', an article discussing the value of small local groups in 'Shrew', vol.3, no.2 :

'We see the group process as valuable precisely because it starts with our own oppression. Women who cannot deal with the peculiar forms of oppression takes in their private lives are highly suspect when they begin to talk about forms of oppression that afflict other women. If we cannot face our own problems we have no right to claim that we have answers to other people's problems The group also has to keep its own closeness in balance. It shouldn't become, as it were, an extended privacy shut up against both new members and outside action in a kind of protected elite. ... We see the small group as a model for political work and a microcosm of a future good society. It makes possible the working out of an organisation which reflects the aims of its members The small group is autonomous. It makes its own decisions which arise directly from the experience of its members. A federation of small groups extends this principle and provides a political structure which incorporates many members but avoids a gap between members and policy...'

D. F.



We will shortly be publishing a Discussion Bulletin containing a critique by Bob Potter of our latest pamphlet 'History and Revolution'. The Bulletin (which will include a reply and is intended to initiate a discussion) will run to about 15 pages and will cost 5p, including postage. Orders accepted as from now.

REVIEWS

THE GREAT BRAIN ROBBERY by Keith Paton. Obtainable from 102 Newcastle Street, Silverdale, Newcastle-under-Lyme, Staffs. 15p (including postage). C.W.O.

This timely pamphlet is inspired by American ideas about de-schooling. There has been a steady stream of books on this subject and it is good to see these exciting concepts put into a British context.

The pamphlet is mainly directed at teachers and students in colleges of education. In my opinion this leads the author to overstress the role of education in the total revolutionary struggle. 'De-schooling' for instance is seen as 'at the root of any movement for human liberation' (my emphasis). The author claims that 'as long as we are not aware of the ritual through which school shapes the progressive consumer - the economy's major resource - we cannot break the spell of this economy and shape a new one.' Despite these minor reservations I strongly recommend the pamphlet as essential reading for anyone interested in understanding all aspects of our authoritarian society, and not merely the industrial and political ones.

The first section is an attack on a principal bourgeois-liberal educational philosopher, R.S. Peters. Within this context Paton gradually outlines his views for a libertarian educational theory. This is particularly useful for students of education, but should certainly not be skipped by non-educationalists. Peters' liberal ideas are rigorously criticised. An impressive attempt is made to build a new theory which would be more honest in human terms in that 'freedom' would be the key concept and the core value. This means a move away from the 'child-centred' education advocated by progressive educationalists, and towards a view of education that is 'other-centred' or centred around 'normal living and relating'. This approach naturally has enormous implications for the organisation of education. It would radically challenge not only the teaching of subjects (against which liberal educationalists have already reacted in their advocacy of child-centred education), but the very idea of teaching in schools with its corollary: compulsion, which traditional educational theory, as it developed in respectable circles, has always accepted without question.

Where there have been previous writings relevant to Peters' ideas, Paton quotes them freely to the advantage of the pamphlet as a whole. This is particularly true of the second section. Defending the 'need for Utopian thinking', Paton puts forward some ideas for the practical organisation of libertarian education. Here, due to rather poor production, it is often

difficult to distinguish the quotes from the main body of the pamphlet. In this section it is stressed (1) that the school structure is in itself authoritarian, and thus forces most teachers to be authoritarian even if they don't want to be; and (2) more fundamentally, that most of what takes place in schools is not education, particularly for working class kids who are often unwilling to be 'educated' in the sense that their teachers use the term. (These kids are branded as 'thick' by the authorities, which is partly the cause and partly the result of their unwillingness to cooperate in schools.)

Although I think Paton lays too much stress on the role of education in the creation of a new society, he recognises that it cannot be discussed in isolation from other sectors of society. In one sense he almost equates society and education acquired throughout a lifetime of experience in society. He attacks the position implicitly taken up by defenders of the school system that everyday life is non-educational. On the other hand he also recognises the futility of thinking in terms of changing only education, without discussing the role of the family, local community and economic structures, and how these need also to be radically changed. What he does seem to be saying is that the educational sector must be in the vanguard of change. I remain with a strong impression that it is a slightly dogmatic anti-marxism which leads him to this somewhat idealist position. This impression is reinforced by the discussion of authority, which to Keith Paton is 'the chief evil of our society', and of which ownership is a sub-type.

In the third part of the pamphlet Paton discusses the work of existing radical education groups, in particular the 'Rank and File' group. This is a very important section, without which the pamphlet would not have been complete. Having discussed educational philosophy (Part I) and educational Utopia (Part II), he now comes right down to earth in accordance with his view that theories 'should be about how to change reality'. To change reality, one must start from reality. 'Rank and File', according to Paton, concentrate too much on the 'class-and-privilege side of the analysis' to the detriment of a clear understanding of the way in which schools 'through the very structure of the schooling process itself' socialise kids to conformity and compliance.

There is a danger here, however, of over-emphasising this aspect (what Paton calls the 'Bureaucratic Initiation aspect') of education in schools. Many kids steadfastly refuse ever to conform to the values of the school. In the lower streams these kids are classified as 'difficult' or 'stupid'. Although I believe this to be a very important and neglected aspect of schooling, Paton's argument here is rather weak. He does not link it up with his later emphasis on school-kids' right to organise independently. The growth of the Schools Action Union would seem to show the inefficiency of indoctrination-socialisation in schools. The section ends well with a few very practical hints to libertarians as to how to function as such in existing schools, hints which unfortunately will be needed for a while to come.

There are also some hints to students in colleges of education. This is followed by an excellent bibliography and a list of periodicals and libertarian associations, both within education and in other spheres (hospitals, women, architecture, to mention but a few).

The inside back cover contains a call for a conference, in the hope of creating an Association that might be called the Movement for an Educative Society and the Abolition of Schooling (MESAS). This ties up with the plea in the introduction that the ideas should lead to action; theory must be united with action in revolutionary practice. This is perhaps the greatest value of the pamphlet. Paton doesn't expect the ideas to be swallowed whole, on the contrary. He sees the pamphlet as one person's ideas (albeit incorporating those of others) which should contribute to the general debate on education and to the practice of revolutionary libertarians in all sectors of society. The test of this pamphlet will be in the action it initiates. For this alone will bring about the changes we aspire to in theory.

P. H.

SOLIDARITY AUTONOMOUS GROUPS

- ABERDEEN : c/o Ian Mitchell, 3 Sinclair Road, Aberdeen.
CLYDESIDE : c/o Dan Kane, 43 Valeview Terrace, Dumbarton.
DUNDEE : c/o F. Browne, 1st Floor, 42 Baldovan Terrace, Dundee.
LONDON : c/o 27 Sandringham Road, London N.W.11.
NORTH WEST : c/o C. Clark, 23 Tame Walk, Colshaw Drive, Wilmslow,
Cheshire.
OXFORD : c/o 4 St. Barnabas Street, Oxford.
SWANSEA : c/o 16 Heatherslade Close, Oystermouth, Swansea.

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A paper for militants - in industry and elsewhere. Attempts a total critique of modern society, and a systematic 'demystification' of its values, ideas, and forms of organisation. Discusses what libertarian revolution is all about. Send £1 to SOLIDARITY (London), c/o 27, Sandringham Road, London N.W.11., to receive forthcoming issues of the paper and pamphlets to that value.

'OCCUPATIONS'. A play by Trevor Griffiths, directed by Buzz Goodbody, performed by the Royal Shakespeare Company at 'The Place', Duke's Rd, WC1.

See this highly political play, if you possibly can. Despite ambiguities, it is by far the most sophisticated and relevant critique of Bolshevism to have hit the stage. The scene is Turin, the time September 1920. Government and employers stand powerlessly by as half a million workers occupy the major factories of Northern Italy. Workers Councils tentatively manage production. The key question is posed: will this form of organisation extend throughout the country - and from industry to all other areas of social life, leading to Revolution? Or will the movement disintegrate from within, due to its reluctance or incapacity to grasp the inherent logic of what it has already so courageously begun?

The play seeks to catch, through the actions and thoughts of people in a hotel bedroom, the resonance of important historical events. Kabak, the hard-bitten and already cynical representative of the Communist International, arrives in Turin, somewhat implausibly disguised as a businessman. In the hotel he rejoins his mistress, a former Russian noblewoman now dying of cancer. She spends most of the play in a drug-induced stupor.

Against this background Kabak talks at length to Gramsci, a leading Communist intellectual, well liked by the Turin workers. They discuss the immediate situation and possible developments. Gramsci stresses the dangers of premature insurrection and the blood bath that would follow. Kabak talks of the danger of missed opportunity. Differences of approach immediately emerge. Gramsci is much closer to the workers and rejects Kabak's manipulatory proposals. Kabak taunts him for wanting 'revolution through referendum'. Gramsci retorts that what would be achieved through revolution from above (directed by people who do not understand the masses and are not part of them) would not be worth dying for. Some of the basic dilemmas of revolutionary ethics are brilliantly hinted at. In these discussions Gramsci, with his spinal deformity, is made to speak and look like a male version of Rosa Luxemburg, while anyone familiar with his writings will know that his libertarian rhetoric concealed a life-long Leninist core.

In the second act, the movement is defeated. By a substantial majority - and even in Turin - the workers have voted to accept proposals from the employers that will soon lead to a collapse of the occupation. 'Normality' will briefly be restored before the Fascists (who know what they want) take over political control of the state. Gramsci is seen haranguing a factory meeting. Gone the wit and compassion. He now sounds more like Gerry Healy in the Camden Town Hall than like an advocate of the autonomy of working class struggle. The police, now on the offensive, inform Kabak that he must leave Turin. Before doing so Kabak

contacts Valletta, a leading Fiat industrialist. Over brandy and cigars they discuss plans for the setting up of a Fiat plant in Russia. Kabak goes to his briefcase and extracts from it a leather-bound contract - which had been there all the time!

Kabak reassures Valletta that the doctrinaires in Russia, who would have objected to such an 'eminently sensible proposal', were being eliminated. Valletta mellows visibly. Yes, he too is human. He too has studied Marx. The old man had underestimated the bourgeoisie's capacity to understand its own interests. 'We will adapt, Mr Kabak, we will adapt', says Valletta, spelling out his vision of tomorrow's Turin, dominated by Fiat. The workers will live in Fiat houses, have Fiat cars, go to Fiat nursing homes and enjoy Fiat holidays. Kabak tells Valletta that in the Soviet Union, there will be no labour troubles in his factories. In a scene reminiscent of the last chapter of 'Animal Farm', Valletta and Kabak drink a toast to one another's health.

It has been said that a psychiatrist is someone who goes to the 'Folies Bergères' to observe the audience. From the passages applauded this audience was well left of centre. Observing it, one can only conclude that things have vastly changed in the last 20 years. There was no demurring at the cynicism of the bedroom deal. Forty years of Stalinism have implanted that message. But we are in 1920 - not 1971. What have our Leninists and Trotskyists to say about that?

M. B.

GROWING UP (...and getting bored?). The much publicised film by Dr. Martin Cole.

What was all the fuss about? A new approach to sexual education? New, yes. But factually inadequate, misleading and potentially dangerous.

The film is commented by Dr. Cole himself. The first sentence speaks for itself: 'Women are made to have babies ... and men are made to breed ideas', or words to that effect, said while showing a pregnant woman playing with her children, and a thoughtful City businessman scratching his bald pate. This is the new approach to sex education!

The film is supposed to deal with childhood, puberty and adolescence, and adulthood. But there is not a word about the sex life of adults. Is there nothing to say? Not a word either about the sexuality and sexual activities of children before puberty. Cole only talks about sexual activity (and occasionally pleasure) for adolescents. And the whole is presented in such a way that one would think that making love is a purely mechanical exercise that you have to do, once, twice or more each week because you

need it, but certainly not more than necessary, like you can't pee more than you have to. And if you haven't got a partner (of the opposite sex, of course, nothing about homosexuality), you can even masturbate. Yes, and they even show you a boy and a girl masturbating. But do they look bored! They don't seem to enjoy it at all (and the way they do it, I really don't see how they could).

Orgasm is mentioned two or three times but is presented as the ultimate result of stimulation of the vagina by the penis. The clitoris, which is in fact the main center of pleasure for a lot of women, is never referred to. Cole thereby reinforces the myth of the vaginal orgasm* and the idea of male supremacy in sex much more subtly than in the scene of a bored couple making love in the conventional position.

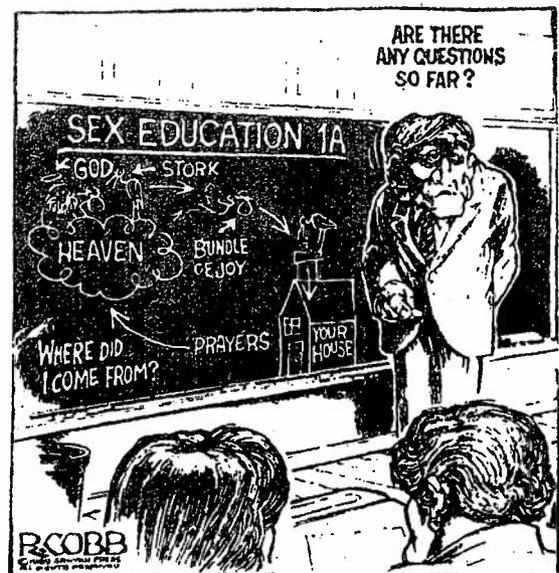
Contraception is only briefly mentioned. No information is given about the methods available or even where to obtain advice. There is not even a hint about abortion or venereal disease.

This film, which was condemned or praised, often for the very same reasons, as very liberal or even 'revolutionary', is in fact incredibly mystifying and reactionary. It could indeed be dangerous, but not in the way the press and education officials saw it. It is an attempt by the enlightened bourgeoisie to put on a new liberal mask, and at the same time reinforce the taboos and prejudices about relationships between people, at a time when most traditional values about authority, family, and sex are being swept away by thousands of young people, even by school kids. This offensive by the reaction is made in a very subtle and sophisticated way under the cover of open-mindedness.

And to think that people like Cole 'advise' thousands of adolescents on their sexual problems!

C. S.

* Anne Koedt, 'The Myth of the Vaginal Orgasm' (New England Free Press). Reprint by Agit-Prop, 248 Bethnal Green Road, London E2.



cash with order

The last few months have witnessed a definite increase in the sale of our pamphlets. This has inevitably entailed a very considerable increase in book-keeping, such as sending out bills, invoices, reminders, and generally nagging people to settle for what they have had. Our task isn't made any easier by the fact that some revolutionaries seem to believe that money has already been abolished. Certain bookshops also add to our work (by requesting invoices in duplicate or triplicate, etc.).

These administrative tasks are boring in themselves and particularly irksome to us, wasting time and energies that could be much better spent in a radical organisation. Moreover nagging for the settlement of small amounts soon proves financially self-defeating.

We have therefore decided to change our policy in relation to credit facilities. Except for regular bulk-order takers (to whom we will continue granting credit and sending our material on a sale or return basis), all material will henceforth only be sent out on a cash with order basis.

The cost of our various pamphlets is indicated on our price list, copies of which will be sent on request. For all items costed at 15p. or less, we will have to charge postage at the rate of 2p. per item. For all items costed at 20p or more we will have to charge postage at 6p per item. Cheques and postal orders, which should include postage costs, should be crossed and made to SOLIDARITY (London).

CHANGE OF ADDRESS

We hereby notify all friends, sympathisers, bookshops, subscribers and correspondents - and all those who send us complimentary copies of their papers or with whom we exchange publications - that, as from December 1st, 1971, our new address will be:

SOLIDARITY (London)
c/o 27, Sandringham Road,
London N.W.11.

Material, orders and letters sent to our old address (53A Westmoreland Rd., Bromley, Kent) will take a long time to reach us. After a while, it will no longer reach us at all. We therefore urge all those who read these lines to note our change of address now.

MORE ABOUT IRELAND

LETTER FROM A BELFAST READER

It is distressing to find SOLIDARITY giving space to the completely discredited Two Nations nonsense of the Stalinist I.C.O. * Their definition of a nation is taken from the late and unlamented Joe himself - what they do not reveal is that the statement in which he expresses his concern for the well being of small nations was made in 1911, long before he himself was responsible for the liquidation of no fewer than 12 small - and genuine at that - nations.

To describe 1 million Protestants in an area no bigger than Yorkshire as a separate nation is manifest nonsense. Because the capitalists have effectively used religion to divide the working class is no reason to give in to their propaganda. To say that the British army is not occupying N. Ireland because it is the army of the majority of the self-styled 'Ulster' may sound convincing to the armchair socialist theoretician. If however he lived in Ballymurphy, Turf Lodge, Ardoyne or the Falls he would be forced to draw another conclusion.

The sad but brutal fact of the matter is that the British army is waging a war of terror and intimidation against the Catholic minority in N. Ireland who are pissed off finally with being treated like shit. The army did not just come in to protect the Catholics from the B men and Orange mobs in 1969, though initially that was part of their role. They came in to protect the big business interests, just as they've gone in to Aden, Cyprus, Malaya, etc. Since the Tories got in the Unionists have succeeded in getting them to adopt the old policy of making the fenians lie down on the pretext that this is necessary to appease the Unionist right wing. This has made the Provos, who rule in the Catholic areas not through fear and intimidation, but because the people have only them to turn to when the soldiers come in on their nightly incursions.

The soldiers are scared - understandably so with snipers everywhere, and so take their fear out on the Catholic working class. In this they are given carte blanche by their officers for fear of them mutinying - this is no exaggeration, I personally have seen on two occasions men telling their officers to fuck off.

* I.C.O. = Irish Communist Organisation. The author of this letter is referring to an article by B.D., published in our last issue. This is an open forum in which we are prepared to publish a variety of viewpoints with which we don't necessarily agree. Further contributions welcome.

The present policy to try to hide the fact that internment has failed is called "scooping". This means that every night about 30 men are lifted, beaten up, detained and in many cases tortured - cigarette burns on the genitals, electric shocks, hallucinogenic drugs as well as the disorientation techniques admitted by the Compton whitewash and a lot of physical brutality. Most of the men are then released after 48 hours but the numbers interned in Long Kesh concentration camp now stand at 320 with over 150 detained in Crumlin. This is in addition to the large numbers framed on arms charges.

The soldiers swagger around shouting sectarian obscenities and knowing that they can shoot women and children with impunity - 3 women shot dead in the last month and one, a socialist comrade of ours, shot in the head and groin and kicked while she lay there - after emergency operations she has survived but has been charged with "attempted murder" - she was rattling a bin lid! Last week a woman, Mrs. Groves, was standing at her window watching the army searching Andersons town. A soldier walked into her front garden and fired a rubber bullet at her from point blank range. She has been blinded for life. Nothing has happened to the soldier; when things like this are happening daily it is time to get off your theoretical arse and go fight a few soldiers.

The persistent mealy mouthed squealings about arousing the hostility of "the protestant working class" is an example of dangerous oucrism. Many of the Protestant working class are conscious fascists, led by sectarian bigots like Paisley, McKeague or Billy Hull. In Nazi Germany the CP at least fought the Nazis *, here they work with them. This is not to stigmatise the entire protestant working class population as fascists. Of course they are not. But people must be judged by their actions and their words. Internment can never be acceptable and if one is not against it, one is for it. True the mindless and ill informed sloganising of the Left in England about victory to the IRA etc. is stupid, but so is the attitude of BD with his "croppies lie down and don't annoy the nice Prods".

The future will lie with the kind of people who are working in the Civil Resistance campaign, which is a grassroots movement and one which means that over 50,000 households are on rent and rate strike. They elect their own street committees, man barricades, form vigilantes to warn of the approach of soldiers, produce their own newsheets and are now beginning to co-ordinate themselves. If BD is from Armagh he should know this since the PD there has been instrumental in organising one of the most active estates. But then, BD wouldn't want to know about that, it might conflict with what Uncle Joe said. And if people start taking over their own lives, whatever next - workers' control? And then the ICO will be out of a job.

Belfast, 25.11.71

Joe Hill

* This is not strictly true. Ed. SOLIDARITY

THE ECONOMIC FATE OF MODERN CAPITALISM

Having oscillated between 2% and 3% during most of the 1960's unemployment in Britain has now reached an average figure of 4%. (During the 1930's the figures varied between a 'low' of 12% and a 'high' of nearly 30%.)

What effect will this increase have on overall purchasing power and on the functioning of the economy? How do the unemployed of today differ (both objectively and subjectively) from those of the 1930's? Is the present increase technological, cyclical or conjunctural (i.e. due to specific circumstances, unlikely to recur)? In more general terms do recent events invalidate the general thesis argued in our pamphlet 'Modern Capitalism and Revolution'?

John King's article, printed below, is aimed at starting a general discussion on these and related topics. We would welcome further contributions.

The casual reader may be forgiven for supposing that Solidarity's interest in the specifically economic problems of modern capitalism began and ended with Paul Cardan's Modern Capitalism and Revolution. He may be right, since the subject seems to have been totally neglected since its publication. Cardan pointed out that large fluctuations in the level of economic activity and the accompanying high pre-war levels of unemployment have been largely absent from advanced capitalist economies since 1945, and that real wages have risen, slowly but steadily, and with insignificant checks. Thus, Cardan argued, Marx's main economic predictions have been falsified by recent history and, if capitalism has fundamental contradictions, these do not lie in the narrow economic sphere.

Nothing in the last decade justifies the rejection of such common-sense, to some trivial, propositions.(1) What excuse is there for re-opening a debate which has such an obvious outcome? A glance at any recent 'marxist' paper suggests one reason: the widespread refusal of the traditional left to see the light of day. More important is the appearance, since the publication of Cardan's book, of two sophisticated attacks on

(1) In Britain now the unemployment percentage, shockingly high though it is, is barely one-third of the lowest figure for the 1930's; and the share of profits in national income, far from rising, fell dramatically in the 1960's. (see A. Glyn and R. Sutcliffe, 'The Critical Condition of British Capital', New Left Review 66, pp.3-34).

the assumption of capitalist economic stability.(2) Though I disagree, sometimes strongly, with their analyses and conclusions, both are serious theoretical attempts to 'bring Marx up to date'. They warrant equally serious consideration even by those who feel no need to disturb the dead.

Baran and Sweezy are American - quasi-Stalinists (seeing Russia as 'socialist') - and ardent Third Worlders. Kidron, as the leading economic theorist of International Socialism, analyses Russia as state capitalist and partly shares Solidarity's distrust of Third Worldism. Their emphases differ sharply: while Kidron is anchored firmly in the industrial struggle in the West,(3) Baran and Sweezy explicitly ignore 'the labour process' (4) - and hence the basis of U.S. class conflict - in favour of the rather pathetic hope that the revolt of underdeveloped countries will itself somehow destroy American capitalism. Related to this is a marked geographical bias, reflecting condition in the U.S. and Western Europe respectively. Kidron is probably the more 'orthodox', stressing the continued relevance of Marx's law of value and the 'law of the tendency of the rate of profit to decline'. They differ also in their assessment of the strength of competitive forces in modern capitalism, and in the degree to which national economic planning is feasible. These differences will be emphasised later.

But on fundamentals, and despite different methods of analysis and explanation, both books agree. Both believe that economic stagnation is the underlying tendency in advanced capitalist economies, and that full employment and sustained economic growth are the exception rather than the

(2) P. Baran and P. Sweezy, 'Monopoly Capital' (New York, Monthly Review Press 1966, and London, Penguin 1968); and M. Kidron, 'Western Capitalism since the War' (London, Weidenfeld and Nicholson 1968, and Penguin 1970). These two books represent the best, perhaps the only, critical analyses of Marxist economic theory since the murder of Rosa Luxemburg. I have used a number of academic reviews of the former book, notably by J. O'Connor, New Left Review 40, pp. 38-50; D. Horowitz, Monthly Review, Jan. 1967, pp. 49-59; M. Bronfenbrenner, Journal of Political Economy, 1966, pp. 500-505; and a symposium in Science and Society, 1966, pp. 461-496, by M.E. Sharpe, M. Dobb, J. Gillman, T. Prager and O. Nathan. The Penguin edition of Kidron contains an entirely new concluding chapter.

(3) Chapters 5 and 7 make an incisive synthesis of workplace struggle and its economic consequences.

(4) p. 8. (All references are to the original, hardback, editions.)

rule. Both hold that were it not for major counteracting forces like world wars and 'epoch-making' innovations like railways and the automobile, massive unemployment and extreme levels of unused capacity would be the normal state of affairs. Post-war stability does not, in either book, refute this proposition. As Baran and Sweezy put it, 'the difference between the deep stagnation of the 1930's and the relative prosperity of the 1950's is fully accounted for by the vast military outlays of the 1950's.' (p. 176) Kidron concurs: only the 'Permanent Arms Economy' of the post-war period has prevented renewed depression on a huge scale.

The significance of arms spending for capitalist economies in the era of the Cold War is fairly obvious.(5) It does not compete with private investment, thus provoking no political opposition from the spokesmen of private capital and no reduction in their rate of profit.(6) Arms production is capital-intensive, serving to stabilise the otherwise highly volatile capital goods industries. Its huge expenditures on research and development provide private capitalists with 'spin-offs' in the form of useful technical and organisational innovations. The military sector's sheer size needs no emphasis; its rate of growth since 1939 has far outstripped any other form of government spending. If peace were suddenly to break out, capitalism would certainly feel the impact.

Both books suggest, however, that the contribution of arms spending to the economic stability of capitalism is tending to decline. Both argue that the arms race is militarily futile, a view which is probably increasingly shared by the generals themselves. Moreover, arms expenditure poses acute problems for individual economies, and in any case technical developments (one hesitates to say progress!) render the military sector less important as a provider of jobs and of technical spin-offs for private industry.(7) The era of accelerating arms spending is over, as the statistics show. Both qualitatively and quantitatively the Permanent Arms Economy is increasingly unable to shore up otherwise decaying economies.

This is all very well, as far as it goes. Some awkward questions remain: why should it be thought that capitalist economies tend inevitably

(5) But see R.C.O. Matthews, 'Why has Britain had full employment since the war?', Economic Journal, Sept. 1968, pp. 555-569, where it is argued that taxation has been large enough to offset all government spending, civil and military, so that the net effect of government policy has been deflationary.

(6) In technical terms, Kidron sees arms as part of Marx's Department III, the 'luxury' sector, developments in which do not affect the rate of profit. (p.39)

(7) Baran and Sweezy, p.214. Oddly enough for authors so well versed in Keynesian economics, they ignore the indirect or 'multiplier' effects of increased spending on even the most advanced military hardware.

toward stagnation?(8) And why should the arms race be considered the only means of escape from such a fate? In other words, will the -relatively - declining role of military procurement lead necessarily to massive economic crises?

Baran and Sweezy answer the first question in terms of a concept of their own: the 'economic surplus'. This is defined as 'the difference between what a society produces and the costs of producing it'(9) and is held to have a long-run tendency to rise as a proportion of total output. The problem is how this surplus is to be absorbed, for if it is not then it exists only as potential surplus, in the form of unemployment and idle capacity. Baran and Sweezy's book pivots on the argument that the absorption of the surplus is increasingly difficult, and that this is the main reason for the tendency toward stagnation. The symptoms are waste on a massive scale and in a variety of forms, of which military spending is only one, albeit the most important.

Kidron is more orthodox. Although his position is never made fully explicit in his book, he continues to accept Marx's 'law of the tendency of the rate of profit to decline'. Crudely, this assumes that there is insufficient surplus to oil the wheels of the capitalist economy rather than, as for Baran and Sweezy, too much.(10) The falling rate of profit was argued at length by Marx. It is a possible but far from necessary tendency (11), empirically uncertain but definitely not apocalyptic. The 'rising surplus' argument of Baran and Sweezy, on the other hand, owes its origins (apart from Marx's own hints in this direction) to one of Keynes' earliest U.S. disciples, Alvin Hansen.(12) Hansen argued that stagnation would result in capitalism whenever certain offsetting factors failed to prevent it. The bulk of Baran and Sweezy's book is concerned with these factors. Kidron, though arguing a quite different line, covers similar ground.

(8) i.e. why is arms spending a benefit and not a liability for those capitalists who don't rely directly on military contracts?

(9) As several reviewers point out, Baran and Sweezy are very vague in their definition of the surplus. Social costs of production are above all wages, yet they develop no theory of wages nor of the distribution of income between wages and profits.

(10) This distinction is Baran and Sweezy's, and I'm not sure that Kidron would accept it. Certainly Marx tried to combine both 'over-production' and the falling rate of profit into his model. Whether he succeeded, or could logically succeed, is another matter.

(11) See the appendix in Cardan, op. cit.

(12) A.H. Hansen, 'The Stagnation Thesis', in American Economic Association 'Readings in Fiscal Policy' (London, Allen and Unwin 1955).

What then, for these authors, are the expansionary forces in modern capitalism? Hansen stressed three: population growth, on its own a factor of minor importance; technical progress; and geographical expansion, within which we may include the expansion of foreign trade and international capital flows. A further factor is relevant: the civilian spending of the state. For all their differences, both Baran and Sweezy and Kidron agree in denying that these forces can solve the economic contradictions of capitalism.

I. CIVILIAN STATE SPENDING

To start with the last: why cannot government expenditure on non-military projects permanently stabilise economic activity at a high level? Both books emphasise political opposition from private vested interests, which - at least in the U.S. political system - coalesce to form large and powerful 'anti-government' lobbies. Private interests, it is alleged, will oppose 'any extension of government power that is not deemed to be of direct benefit to themselves'.⁽¹³⁾ However, there are vast areas in which such constraints do not apply: education ⁽¹⁴⁾ and welfare for example. The failure to expand spending on such areas suggests a shortage of resources rather than any embarrassing excess of surplus, throwing doubt on a major part of Baran and Sweezy's (though not Kidron's) analysis.

Other examples can easily be found. Recent proposals by bourgeois economists in the U.S. for massive state retraining schemes clearly don't compete with private capital - workers can't be owned! - but stand to benefit it. The nationalisation of unprofitable but essential industries has, in Western Europe, provided permanent subsidies to private industry. Moreover the recent attempts to set profit targets (rather than loss ceilings!) for the U.K.'s nationalised industries reflect a national shortage of surplus for investment.

Kidron is rather less naive than Baran and Sweezy in this respect. But both make the cardinal error of under-estimating the enemy. The ruling class is by now relatively sophisticated, and knows on which side its economic bread is buttered. Kidron's maxim could almost be inverted: extensions of state spending are only opposed when they directly conflict

(13) Kidron, op. cit., p. 10.

(14) Baran and Sweezy's attempted 'refutation' of the importance of increased state educational spending is a sad and altogether untypical example of mechanical Marxism at its worst (e.g. p. 171). Baran and Sweezy deny, and Kidron largely ignores, the simple fact that modern capitalism needs a constantly increasing flow of skilled and well-educated manpower.

with specific private interests. Nothing that the present Tory government has yet done really refutes this point (15) though it is probably true that the most intelligent capitalists vote Labour (Stokes, Weinstock, Kearton, etc.). Economic primitives like Barry Goldwater and Enoch Powell are no longer representative of the interests and wishes of the more progressive - and typical - sections of the ruling class. One interesting parallel exists: the very rapid acceptance by most big companies of trade unions as essential middlemen in the labour market. It isn't what capitalists say but what they do that counts.

Both books deny that state economic planning can provide the basis for sustained growth. Baran and Sweezy deny that even inter-firm planning exists. Kidron attacks this view, even for the U.S. case (p.10), and it is clearly even less tenable when applied to Western Europe. Kidron observes, however, that western planning has rarely been as systematic as its apologists (Galbraith, etc.) imply. Far more often it has been an ad hoc reaction to specific problems. (16) Nor has broad, macro-economic planning necessarily been a stabilising influence; the reverse may well have been true. (17) ~~Baran and Sweezy deny that state economic planning can provide the basis for sustained growth.~~

Planning is still, perhaps, only a minor contributor to a crisis-free capitalism, though with considerable potential. The crucial point is the total failure of Baran and Sweezy to prove their case that civilian government spending cannot act as a major offset to stagnation. Kidron is again more sophisticated. He points out that, even if 'pyramid-building' (or steel-making!) were politically acceptable in one country, balance of payments problems would ensue immediately. Only if economies were planned on an international level would Keynesian policies of this sort - which, unlike the arms race, do not lead to inevitable imitation by rivals - become possible in practice. Kidron flatly denies the possibility of international planning, even in the limited context of international co-ordination of broad economic strategies. He argues that the anarchy which once marked competition within each national economy is now manifested at an international level. 'It is this logic that makes nonsense of substituting a space race for an arms race'. (p.49) We will return to the alleged international anarchy of capitalism below. (18)

(15) Note the lack of opposition to the renationalisation of steel; the Tories want to denationalise - i.e. give away - only the small profitable sections!

(16) In Britain post-war reconstruction and the sagging growth rate of the 1950's both closely relate to balance of payments problems.

(17) See J.C.R. Dow, 'The Management of the British Economy 1945-1960' (London, N.I.E.S.R. 1964).

(18) Baran and Sweezy, showing their usual isolationism, almost totally ignore international economic problems. This shows the bankruptcy of their particular brand of Third-Worldism, and substantially weakens their analysis in comparison with that of Kidron.

2. TECHNICAL PROGRESS

As Marx himself often observed, capitalism in its earlier stages revolutionised the techniques of production at a rate which no other society had ever approached. Technical progress was seen as a classic expression of alienation, inexorable and totally uncontrollable. The 19th century entrepreneur was driven to innovate as a condition for survival; if he did not, his competitors would, and he would be bankrupted. (19) But typically innovation must be 'embodied' in new capital equipment, thus requiring huge investments and providing a major outlet for the surplus. How can rapid technical progress and economic stagnation be reconciled?

For Baran and Sweezy, it is the rate of application of innovations which gives way. Here for the first time the significance of monopoly capital is apparent: 'the giant corporation will be guided not by the profitability of the new method considered in isolation, but by the net effect of the new method on the overall profitability of the firm. And this means that in general there will be a slower rate of introduction of innovations than under competitive conditions'.(p.93) Thus, 'under monopoly capital there is no necessary correlation ... between the rate of technical progress and the volume of investment outlets. Technical progress tends to determine the form which investment takes at any given time rather than its amount'.(p.97)

In other words the oligopolist (20) will introduce a new technique or product variety only if a can do so without adding to the productive capacity of the industry, since such additions will reduce the profitability of his existing capital. Innovations are applied only when existing equipment is due for replacement in any case, (21) and accelerated technical progress, which Baran and Sweezy rightly see as a basic feature of modern capitalism, does not stimulate the overall level of investment.

(19) Marx, 'Wage Labour and Capital', in Vol. I of Marx and Engels Selected Works, pp. 98-101.

(20) Baran and Sweezy's large corporations are not monopolists in the strict sense, since they face competition from a small number of similar firms. Their analysis of the competitive process and its weaknesses draws heavily on W. Fellner, 'Competition Among the Few' (New York: Kelley, 2nd ed., 1965), a classic text of oligopoly theory. They accept Fellner's conclusions too uncritically; the best bourgeois critique is that of P.W.S. Andrews, 'On Competition in Economic Theory' (London: Macmillan 1966), especially pp. 44-48.

(21) This begs a number of questions!

The significant assumption here is tacit agreement among oligopolists to avoid excessive competition in general, and price cutting in particular. In the absence of such agreement, as Marx saw very clearly, the individual capitalist must innovate as rapidly as possible or face extinction. Baran and Sweezy exaggerate the freedom from price competition enjoyed by the large corporation, although they argue, somewhat contradictorily, that 'with regard to the cost discipline which it imposes on its members the monopoly capital economy is no less severe than its competitive predecessor' (p.71). But the threat of potential competition by giant firms in other industries may both stimulate the application of the latest techniques and restrain prices, (22) tending to offset both the tendency of the surplus to rise and the increasing difficulty of surplus absorption.

Moreover, international competition, greatly increased in strength since the 1930's, threatens the position of the most secure national monopolies. It is to Kidron's credit that he sees this very clearly, and emphasises the limits which this sets to the freedom of action of the large corporations. But he too, using a quite different argument, rejects the view that technical progress is a cure for the system's contradictions. High investment, the rapid application of new techniques and the expansion of exports, seen from the viewpoint of a particular national economy, form a virtuous circle of greater international competitiveness and faster growth. But for Kidron this is only a re-statement of the original problem: innovation 'cannot claim an exogenous, independent existence. It is as much a part of that (causal) loop as international trade, and the direction of causality remains indeterminate ... innovation is important. It is hardly autonomous'. (pp. 36-7)

Now this is a strange, and somewhat undialectical, argument for a Marxist. For Marx himself, both the expansionary forces and the contradictions of capitalism form exactly such a causal loop. Marx explicitly rejected attempts to prove the imminent downfall of capitalism in terms of 'exogenous' or 'autonomous' factors.(23) His analysis of these contradictions was based on precisely such causal loops, this time manifested as vicious circles. (According to Marx, the rising organic composition of capital reduces the rate of profit, prompting capitalists to desperate attempts to innovate and thus earn higher profits, further raising the organic composition, etc.) Kidron uses this general argument against the role of planning and the expansion of trade as the sources of recent prosperity. In the case of planning he is perhaps on stronger ground, but in general his methodology is highly suspect.

(22) Andrews, op. cit., pp. 78-80.

(23) Thus he vehemently attacked the attempts of Ricardo to derive the falling rate of profit from Malthusian population pressures and diminishing returns to land.

Thus, in an economy which is significantly more competitive than Baran and Sweezy imagine - although allowing for the radical changes which have occurred over the last century - technical progress may be a major factor in preventing stagnation. Baran and Sweezy themselves attribute an independent causal role to 'epoch-making' innovations, of which they cite three, the steam engine, railways, and the automobile. Even this argument is weak, for the polarisation between 'epoch-making' technical leaps and other innovations is entirely artificial. (24)

3. THE INTERNATIONAL ECONOMY

One of the major merits of Baran and Sweezy is their explosion of the Lenin-Luxemburg myth that colonial and other underdeveloped territories form a major dumping ground for excess surplus: 'foreign investment must be looked upon as a means of pumping surplus out of underdeveloped areas, not as a channel through which surplus is directed into them'. (p. 105) Standard Oil of New Jersey, for example, 'is a very large and consistent importer of capital'. (p.196) In bourgeois terms, and to take another example, since the turn of the century Brazil has been 'granting aid' to the U.S. on a massive scale! Even at her heyday as an imperialist power, Britain consistently imported more - in interest, profits and dividends - than her capital exports.

In any event the major source of expansion in world trade and capital flow since 1945 has been within the developed capitalist world; genuine stagnation has been confined to the Third World. Bourgeois economists have argued that buoyant export demand has been a major source of stimulus, above all in encouraging business confidence and optimistic expectations of future profitability. Baran and Sweezy, with their implicit belief - which looks sick in 1971! - that the U.S. is effectively a closed economy, and their neglect of the rest of the advanced capitalist countries, ignore this factor. Kidron's only rejoinder is in terms of an unconvincing and unnecessary search for some exogenous source of growth.

The liberalisation of trade and capital flows since 1945 have not taken place without difficulty: the recurrent currency and payments crises of the last decade are ample proof of that. Kidron argues that 'anarchy remains very nearly absolute internationally'. (p.48) All the instability of 19th century national economies has been transplanted to a global plane. This is a matter of judgment, and the possibility of another international depression on the scale of that of the 1930's is clearly less laughable than it was ten years ago. I have lost count of the number of international currency crises in the last ten years; the point is that none of them, as

(24) Sharpe, op. cit., pp. 461-470.

yet and with the present problems of the dollar still largely unresolved, has come remotely close to a cataclysm of 1929 proportions. The outcome of the present instability, I expect, will be a more coordinated international economy than ever before rather than a major crisis. After all, the bourgeoisie is chauvinistic only for mass consumption; nor is it entirely stupid.

CONCLUSIONS

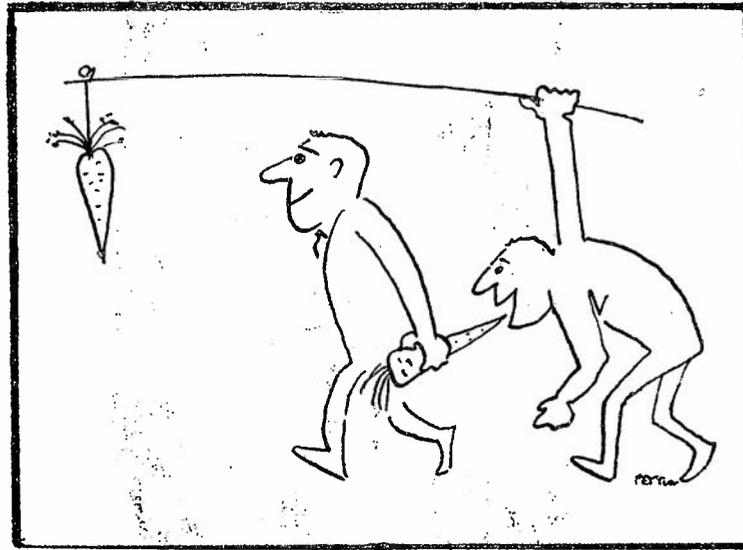
Cardan's position, if not as fully argued as might have been hoped, is not seriously undermined by either of these two books. World depression is neither inevitable nor just round the corner - and even substantial disarmament need not provoke it. (This is not to say that it is impossible; it may yet happen.) Baran and Sweezy fail in their fundamental argument, even though their attempt to unify the micro- and macro-economic theory of modern capitalism - notably in their excellent chapter on 'the sales effort' - is impressive. And if Kidron has achieved nothing else, he has at least reminded blinkered nationalists that the capitalist economy is a global one, and its problems and instabilities world-wide.

The prospect of continued stability in advanced capitalist economies need not imply that economics is no longer of interest to socialists. Some economic problems are still relevant. For example, the role of the international corporation is of the utmost importance, and Kidron is quite correct in arguing that its ability to move capital quickly and easily from one country to another has been a major barrier to the development of national economic planning. (25) But doesn't this also mean that international rivalries in the old sense, between the collective capitalist interests of individual nation-states, are increasingly irrelevant? And if some form of national economic planning is proving feasible, why not international planning? This may occur either through the attempts of governments to control the giant international companies, or by those companies themselves, or some volatile but still viable combination of both.

A related and no less important question concerns the nature of such a system, in which competition will be controlled, and no longer exist, even at international level, in its 19th century fierceness. One

(25) Probably most international currency speculation is carried out by such 'respectable' concerns, rather than by Zurich gnomes and similar politicians' fantasies. Oil companies, in particular, have vast quantities of highly mobile and extremely liquid funds constantly at their disposal.

reviewer criticised Baran and Sweezy for presenting a picture of capitalism with 'no central drive as a system';(26) accumulation is no longer the compulsive force that it was in Marx. It might be asked where the concept of state capitalism fits into this classical Marxist framework. Orthodox Marxists who wish to retain the fundamentals of Marx's economic analysis of capitalism and argue that the Russian and Chinese blocs are state capitalist meet major difficulties. These are not convincingly resolved by reference to the pressures of international competition between these state capitalist countries and the West. (27) If capitalism is defined as a system of wage-labour, hinging on exploitation and alienation at work, the unbridled pursuit of private profit can be seen as one phase - and a rather primitive one - in its development. Pure private and pure state capitalist systems are at opposite ends of the spectrum, with the hybrid form at present found in the West perhaps increasingly typical. This highly revisionist conclusion at least disposes of the old bogies of the 'inevitable economic breakdown' of capitalism, freeing a lot of theoretical energy for an analysis of the real, contemporary contradictions which the system displays and which aren't fundamentally different, East or West.



(26) Nigel Harris in International Socialism, 30, Autumn 1967, pp.24-26.

(27) In the debate between Kidron and Mandel on this issue, the ultra-orthodox Mandel seems to have come out on top. (See Kidron's 'Maginot Marxism: Mandel's "Economics" ' in International Socialism 36, April-May 1969, pp. 33-36; E. Mandel's 'The Inconsistencies of State Capitalism' (London: I.M.G. 1969). Also Chris Harman, 'The Inconsistencies of Ernest Mandel', International Socialism 41, pp. 36-41.

57 VARIETIES

(BLACK AND RED OUTLOOK)



ALL UNFIT FOR HUMAN CONSUMPTION