

**Retreat
from
Socialism**

**Britain after the
Budget**

**People's War and
World Revolution**

**France: The Beginning of
a New Era**

China Notes

Trade Union Notes

Report from Glasgow

**VOLUME ONE NUMBER SEVEN
SUMMER 1968 Price 2s**

**THE
MARXIST**

THE MARXIST

The Marxist is published six times a year.

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Annual Subscription 14s post paid. Single copies 2s 6d post paid. Overseas rates: Europe 25s post paid. Rest of the world 30s post paid.

EDITORIAL

Vol 1 Number 7

THE WAR IN VIETNAM still continues to dominate the international scene. Its influence on the US balance of payments is well recognised, but in accepting this it would be a mistake to allow the erroneous idea to creep into our thinking that the contradictions within the economy of the US will be resolved by a withdrawal of US forces from Vietnam. The war is sharpening some contradictions; a withdrawal will bring others to the fore. It is significant in this respect that the divisions within the US ruling class are becoming more pronounced as their defeat becomes more certain. The 'Bi-Partisan' policy of J Foster Dulles is in shreds. 'Peaceful co-existence' strengthened it, people's war has ended it.

The successes of the NLF are proving that reactionaries really are paper tigers, with the result that the opposition to imperialist aggression is being stimulated all over the world.

The demonstration in London on March 17 was indicative of the changing mood. It mobilised over 15,000, mainly young people, under the general slogan of 'Victory for the NLF.'

The revisionist fallacy that people can only be mobilised by a middle of the road policy was rudely shattered. Although the organisers of the demonstration deserved to be congratulated for their initiative, the success would have been greater if the tactical objectives had been made clear to the demonstrators. In the event, the end of the march tended to be an anti-climax, with the forces of 'law and order' demonstrating their superiority over an unorganised, leaderless mass of people.

Cutting Living Standards

The Budget, followed by Gunter's statement that 'living standards must come down,' can only be compared to Baldwin's famous statement in 1926 that 'the wages of all workers must come down.' The latter was followed by a General Strike; Gunter's has hardly caused a ripple, in terms of militant action.

The majority of trade union leaders are terrified at the thought of another General Strike and are concerned to divert any militant feeling into safe channels. Barbara Castle's drive for 'productivity deals' is one example; the one day strike in engin-

earing is another. It is intended to sap militancy, not engender it. These tricks need to be exposed at every opportunity. Workers will see through them sooner or later, but we can hasten the process by explanation.

It is in the field of arousing the working class to taking the road of mass struggle in defence of its own conditions that Marxists in Britain can assist the anti-imperialist struggle. In the course of this they will become more receptive to the ideas of working class internationalism.

Those comrades who are contemptuous of the working class, because it is infected with reformist ideas and has not yet risen in defence of its own conditions, on a large scale, should remember that it is the task of Marxists to take people as they find them, and then try to change their ideas—not despair because they are not so politically advanced as we would like them to be.

The struggle will be protracted, and this must be recognised if disillusionment is not to take its toll. The British ruling class are cunning and have years of experience behind them; they have still some room for manoeuvre. The desire for short cuts and easy solutions that by-pass necessary stages of development, is an expression of what Lenin called 'the petty bourgeois mentality' which constantly leaps from one 'solution' to another but does not have the capacity for consistent, steady work.

Student Demonstrations

In the capitalist states these demonstrations are on the whole directed against some aspect of officialdom and are objectively in opposition to the establishment. The most developed form of these is probably in West Germany.

In China, where a genuine Marxist Party is in the leading position in the state, the class contradictions which reflected themselves in student unrest were analysed and the forces which represented the positive aspect of the contradiction were given support and guidance, and led to the cultural revolution. This was only possible because the Chinese comrades under the leadership of Mao Tse-tung had drawn clear theoretical conclusions regarding class struggle and the method of conducting it under the

dictatorship of the proletariat. They recognised that new classes can arise from within socialist society which will inevitably lead it back along the capitalist road unless determined measures are taken to prevent it.

The second decisive contribution which they made to Marxist theory and practice was their refusal to rely on purely administrative measures. Instead they relied on mass democracy under centralised guidance, with mass struggle, mass repudiation of the philosophy of the capitalist-roaders, and ideological remoulding of all the participants during the course of the struggle.

In the USSR and Eastern Europe, the Communist Parties proved incapable of making a correct analysis of the situation because they had deserted Marxism and accepted the theory of 'the state of the whole people.' Just as the refusal to recognise the class character of the state in Britain assists the capitalist class to maintain its rule, so in the socialist countries it assists the resurgence of the enemies of the working class.

An article elsewhere in this issue deals with some of the economic 'reforms' introduced by the revisionists in eastern Europe. Since it was written some important developments have occurred in Czechoslovakia and Poland which need comment. It is not possible in an editorial to attempt a detailed analysis of these events but a few comments are in order.

The sacking of Novotny and the triumph of the 'liberals' in the Czechoslovak leadership, and the prolonged student unrest in Warsaw signify a new and acute crisis in the revisionist-led states. The degree to which the crisis has advanced in Czechoslovakia is evident from a summary of their new 'action programme,' which calls for, among other things; greater participation of other political parties in government work, ie bourgeois democracy; economic reforms (introduction of the profit motive); a reassessment of foreign policy in an attempt to act as a bridge between western and eastern Europe — particularly through improving relations with Western Germany.

One thing stands out clearly; what is happening now is the pay-off for many years of bungling, bureaucratic misrule. We do not doubt that the party and state leadership in most of the Eastern European states have been revisionist for many years. While it may be argued that the manner in which the People's Democracies came into existence made inevitable some enormous problems, anyone acquainted with such countries as Poland, Czechoslovakia and the GDR will know that their internal contradictions, both antagonistic and non-antagonistic, have been mishandled. However difficult it may have been to implement a 'mass line' in the immediate post-war years it was not impossible. But it was never attempted. Careerism in the highest

ranks of the Communist Party and government has been rampant, gross and unnecessary inequalities have existed and the mood amongst large sections of the working class and people has understandably been one of apathy. Whilst living standards have improved, there has been widespread cynicism instead of increased political awareness.

In more recent years the revisionist leaders, entrenched in their comfortable privilege, have completely abandoned any effort at serious socialist transformation in their countries. As their own abuse of power and position has led to increased disenchantment on the part of the masses, they have turned to the west for inspiration. Bourgeois culture has flooded through the open gates to replace the half-baked attempts at socialist culture that never took root. The revisionists have claimed that they were actually stimulating the transformation that was so badly needed. But the transformation has not been the proletarian revolution in culture that was needed.

Powell and Racism

The question of racialism in Britain has been brought into the open as a consequence of Powell's speech.

Growing unemployment and reduced living standards can lead to mass struggle against the real causes, or can be channelled off into diversionary attacks on scapegoats.

Hitler and his backers used the Jews; Powell and his backers use the coloured immigrants.

The scapegoats are different but the end result will be the same if allowed to develop. The dockers and other workers who felt that Powell was speaking for them, would do well to remember his position on other political questions involving the conditions of the working class. For example in 'Social Service News: Needs and Means,' published by the Conservative Political Centre, 1950, we read, 'Ever since Mr Powell first asked the question in 1950, "Why should any social service be provided without a test of need?" he has been quite consistent; he has been a fanatical believer in reducing government expenditure by providing less services as of right, and more services on a Means Test.' Further in the 'Guardian' review of April 25 1968, 'he argues that instead of "cajoling" and "bribing" industry to set up shop in such areas, we should allow market forces to cause the unemployed workers to migrate to the areas of labour shortage.' From the 'Times' of October 21 1965, 'He welcomed the House of Lords' decision in *Rookes v Barnard* and has repeatedly called for a reform in trade union law. "Conservatives must take a long hard look at union law . . . we cannot go on with the law as it is . . .".'

Again from the 'Times' of July 30 1964, 'It is a sad spectacle to see deluded men standing idle or

(then to page 10)

Eastern Europe - Retreat from Socialism

Part One

by Philip Hardie

SINCE THIS TOPIC was first broached in the *Marxist* a year ago many more workers have found themselves forced to face up to the question, what is the essential feature of a socialist society? Can it be defined in purely economic terms, and if so, might the new economic system turn out to be in many respects similar to capitalism, even though most of the capital was publicly instead of privately owned? After all, the fact that no individual or group of individuals can dispose of capital assets or appropriate them is considerably mitigated if the socialist system allows non-public disposal and appropriation of profits. And this is a feature which will now become general as a result of the economic reforms taking place in the Soviet Union and Eastern Europe. In a nutshell, profits are not to be merely a measure of efficiency and a means of guiding those who take the decisions about production and the marketing of goods and services. They are a revenue which can to a very considerable extent be used by the directors of an enterprise to improve the relative position of their enterprise, their workers and themselves.

The time has come to streamline ourselves, say the East European leaders, to replace 'moral' by economic measuring rods and recognise that this means providing adequate economic incentives.

This is a different blueprint from that of the socialist pioneers, who saw the satisfaction of service to the community as the most potent incentive which would move men to put forth their best efforts once exploitation and social injustice had been ended. The idea of 'moral' incentives was and is a revolutionary conception, since it completely rejects the central axiom of class society, that people will be induced to do everything they are capable of by material rewards, but not as a rule without them. It was in Europe — even in England — that this capitalist psychology was first denounced a century ago. Today the idea of replacing material by moral motives is met with derision. Nowhere is this better illustrated than in the attitude to China, where the whole purpose of the cultural revolution is to break with the old thinking based on personal gain or group advantage and substitute the proletarian logic of service to the people.

Much has been heard in recent months of the 'new economic system' being introduced in Eastern Europe. Why is a 'new economic system' necessary?

The usual explanation is that the will to make the maximum effort for the common good plays the key role while the economy is being transformed gradually into one capable of meeting all society's basic needs. After that the problems become more complex, the alternative courses of action more numerous, the possibilities of blunder more frequent and hence the qualifications required for responsible posts more exacting, justifying high rewards. Whether applied to Eastern Europe or to a comparatively under-developed country like China, however, such an explanation is extremely facile. It is from some of the most advanced sectors of the economy in China (industry in Tientsin, Sian and Harbin) that the leading examples have come of 'combatting egoism' and fostering the concept of the collective. On the other hand, thirty years before any of the smaller countries of the Soviet bloc had to face the problem of what was to give society its momentum in future, the Soviet Union itself had opted for monetary incentives when still at a relatively primitive stage of economic development.

'Under the new economic system' wrote *Kulturny Zivot* (Bratislava) in September 1966, 'we are not trying to solve such problems through the methods laid out by the Chinese dogmatists or our domestic dogmatists but rather by using material interest . . . We ourselves could be where China is today if it were not for the Twentieth Congress of the CPSU.'

Two years later it is more doubtful whether the Russians still relish a reminder from this source that their Twentieth Congress marked the real break with socialist principles.

Source of Impulse not a New Problem.

Against the background of the controversies of the sixties it is easy to forget the situation that faced the Soviet Union in the twenties. The only country where the workers had followed the socialist road, it faced on every side a hostile array of economic and military power. Although at no time completely isolated politically, it had to plan on the assumption that it would remain isolated in a military and economic sense indefinitely. Sooner or later the survival of the regime would depend on its military defences, which would be effective only if high priority was given to the defence industry. Meanwhile, unless a comprehensive heavy industrial base were laid, reaching to all parts of the country,

Russia would continue to be backward and only a fraction of the potential of the revolution would be realised.

The methods by which the rest of the economy, particularly agriculture, was squeezed to provide a surplus for investment, and the over-riding emphasis given to speed of development of heavy industry, rather than to costs or maintaining balance in the economy, are dismissed today as part and parcel of the 'command system' that developed under Stalin. It is true that the system of centralised economic decision-taking which grew up during the thirties and forties had some ludicrous consequences and that in the end Stalin himself condemned its methods of cost accounting and price fixing as myopic, arbitrary and capricious. One of the best-known passages in his **Economic Problems of Socialism in the USSR**, published in 1952, declared that

'business executives and planners, with few exceptions, are poorly acquainted with the operations of the law of value, do not study them, and are unable to take account of them in their computations. This, in fact, explains the confusion that still reigns in the sphere of price-fixing policy. Here is one of many examples. Some time ago it was decided to adjust the prices of cotton and grain in the interest of cotton growing, to establish more accurate prices for grain sold to the cotton growers, and to raise the prices of cotton delivered to the state. Our business executives and planners submitted a proposal on this score which could not but astound the members of the Central Committee, since it suggested fixing the price of a ton of grain at practically the same level as a ton of cotton, and, moreover, the price of a ton of grain was taken as equivalent to that of a ton of baked bread. In reply to the remarks of members of the Central Committee that the price of a ton of bread must be higher than that of a ton of grain, because of the additional expense of milling and baking, and that cotton was generally much dearer than grain, as was also borne out by their prices in the world market, the authors of the proposal could find nothing coherent to say. The Central Committee was therefore obliged to take the matter into its own hands and to lower the prices of grain and raise the prices of cotton. What would have happened if the proposal of these comrades had received legal force? We should have ruined the cotton growers and would have found ourselves without cotton.'

The Soviet leaders were on the horns of a dilemma. The methods they had used for regulating the economy and steering its further course were not merely proving inefficient; they were producing results that were irrational. There had to be a change but was it to be a change worked out, decided on and put into effect by managers, or a change argued out and carried out by the people as a whole, mobilised for a new stage of the revolution which they had brought into being? Other things that have been happening in the Soviet Union decided this.

The last two decades had seen a steady drift away from the Leninist objective of a society spurred on by determination to abolish class distinctions and

the gradual erosion of the proletarian political outlook that had inspired the October revolution. Part of that process was the complete replacement of the political incentive to maximum efforts in production by material incentives. The revolutionary vision of a nation re-educated and transformed into people motivated by the aim of socialism faded and finally disappeared. Lip service to socialism became a cover for every reorganisation adopted, even though the inducement might be purely monetary. In 1935 the miner Stakhanov was held up as a great hero of socialist labour. He had started a trend by devising ways and means of increasing his work team's productivity more than tenfold and his name became a symbol of constructive emulation in production. But by reorganising the team's operations and the use of the mechanical pick so as to produce 102 tons of coal a shift instead of less than 10, Stakhanov was able to double his earnings. Others saw possibilities of improving on this and succeeded in trebling or even quadrupling their incomes. Undoubtedly some big and long overdue increases in productivity were realised. But Stakhanovism, from beginning to end, was a conscious movement away from egalitarianism and an elevation of the piece work principle of tying pay to output.

Capitalism's Legacy.

It was during the thirties that the Soviet Union finally became confirmed as a land of marked inequality of incomes, with the poorest paid earning only £2 a week and the highest paid £100 a week. There was no doubt that the country faced some formidable challenges in the immediate future, first military and after that economic. It was equally plain that the lines on which it was preparing to meet them were intrinsically no different from those followed by capitalism and owed little to socialist remoulding.

While the money incentive came to power long before the war, it was not until the early fifties that Russia had to face the problem of lifting an economy with a still relatively primitive consumption sector to a level approaching an affluent society. Incentives to greater diligence can make only a limited contribution here. Flexibility in responding to evidence of need and consumer preference is impossible without very real deterrents to the old type of thinking and planning. Not only new materials and designs and completely new production processes, but new priorities, have to be adopted. This calls for new stimuli. Closer investigation of people's wants and the possibilities of meeting them has to be translated into corresponding pressure for new investment. How are the planners to provide for this? Again there is a temptation for the unpolitical technocrat to fall back on the solution familiar from pre-socialist experience.

Admittedly there is nothing that need surprise

Marxists in the revelation that capitalism leaves behind it a legacy of yearning for personal enrichment, which may take several generations to eradicate. No one accustomed to dealing with social realities at first hand would expect the incubus of bourgeois ideas to disappear automatically because the economy is being reshaped on socialist lines. Certainly in the early stages it is necessary to live with a considerable carry-over of non-socialist attitudes. The conscious transformation of people's motives and way of thinking can only be tackled when working class power has been consolidated and the socialist transformation of the economy got under way. After that it is legitimate to look for faster progress in the breaking down of capitalist ideas. The final verdict on the success or defeat of the socialist revolution rests, in fact, on the evidence that society is moving away from such ideas, replacing them with socialist ideas and bringing up new generations who cease to be prey to the impulses of personal elevation and private acquisition.

By common consent the Chinese cultural revolution has at least underlined this point and raised the question of what happens if anti-socialist attitudes are not overcome. Nearly two years ago Chou En-lai expressed it in unmistakable terms in his speech at Bucharest, already established at that time as a meeting point of cross currents in Eastern Europe:

'With the deepening development of the socialist revolution in our country, the class struggle in the ideological field has inevitably come to the fore. . . . This is not only a struggle which fosters what is proletarian and liquidates what is bourgeois and which touches people to their very souls but also a crucial question concerning whether the dictatorship of the proletariat and the socialist economic base in our country can be consolidated and can advance, a crucial question affecting the destiny and future of our party and state.'

If the material incentives and inducements now being brought into play in Eastern Europe were limited to the occasional lollipop imported from the West they might be a symptom of a retrogressive tendency within socialist society, but not yet perhaps evidence that anything had gone completely off the rails. In fact the incentives being introduced are not limited but capable of indefinite extension.

One thing certain about the question of incentives is that it has a direct bearing on the difference between capitalist and socialist society. What is the starting point for comparing the two in this respect? Socialists have always considered it wrong that some of the people should be able to live comfortably — under capitalism — on the proceeds of capital they own while others have to work hard all their lives to maintain their families. If this is so it seems equally wrong that some people with a certain kind of training or aptitude should be rewarded

by means of increasingly wide income differentials because their skills are in growing demand, while many others who also work hard experience a decline in real earnings. But this is bound to happen under a system built on material incentives whether it is called socialist or capitalist.

For the moment we are considering only the principle of material rewards to individuals as an incentive to increased effort; higher qualification and taking on work of greater responsibility.

Emergence of the Managerial Elite.

Ever since the idea of a society controlled by a technological and managerial elite began to be elaborated in the twenties it has been a constant theme among economists and the professional executives of capitalism, and has made a deep impression on their counterparts in the Soviet Union and Eastern Europe. The relapse into autocratic rule and the bureaucratic practices which grew up in the later years of the Stalin period, largely due to the draining of revolutionary politics out of the CPSU had practical consequences which were visible at the time, even if their long term effects were not foreseen. They prepared the way for the emergence of Khrushchev, Kosygin and others who were to reverse Stalin's policies.

The highly centralised government, divorced from any effective liaison with the mass of the people gave ample rein to capable bureaucrats whose ambitions had little in common with Leninist politics. The doctrines gaining ground amongst their counterparts in the West were absorbed and adapted and helped to sow the seeds of a new class-outlook within Soviet society.

This outlook was already fairly well established amongst the managerial strata of the Soviet Union and other East European countries when Stalin's successors climbed to power on their shoulders. It was to form part and parcel of the domestic aspect of the policy of co-existence — and, where possible, collaboration — with the power centres of the capitalist world. 'Our economy is socialist and yours is capitalist' the Soviet specialists argued to their Western counterparts, 'but essentially our management problems are the same.'

Western bankers and business administrators, accustomed to dismissing the Soviet system as a misconceived experiment in which everything was upside down, were at first slow to comprehend what was really happening. Today they see the economic problems of socialism in a similar light to the managerial strata in Russia.

'In the non-socialist economies, as the firm develops, it becomes necessary to exclude uninformed authority. This, we have seen, includes the owners . . . If we are to have capitalism, it must be without capitalist interference. One would expect that a public corporation of similar size would suffer from the similar intervention of ministers or bureaucrats. But,

if they must be excluded, it means that if we are to have socialism, it **must be without social control.**

J. K. Galbraith, Reith Lecture, The New Industrial State; The bearing on socialist development.

11.12.66.

The economic theory of the Soviet Managerial elite had been taking shape for some years and had formed the theme of many books and articles before the famous *Pravda* article by Evssi Liberman appeared in September 1962. Its real starting point was the discarding of an assumption made by socialists in the past, namely that people living in a socialist society would be spurred on to give of their best indefinitely by a feeling of identification with the society they were helping to build. If all the fruits of labour immediately become social property and were distributed in a manner decided by common consent, instead of being appropriated by a class of owners, future generations would be freed from the fear that their efforts would be unrequited or spurned and would contribute to the full extent of their abilities. This principle might work so long as society was satisfying its most basic needs, the new argument ran, but when there begins to be a surplus over and above these, with a wide range of commodities to choose from, in a word, when society approaches the affluent stage, the social incentive becomes too general and too blunt. A more obvious ladder to positions of responsibility and professional leadership is needed if society is to take advantage of possible new techniques of production and management and remain dynamic.

It is further argued that direct material incentives have to be employed. Salary differentials do not meet the case; they exist already, operate too gradually and tend to encourage conformity. Only a profit motive can stimulate the concentrated effort and enterprise required to prevent stagnation and ossification in the economy. This is not 'against Marx.' Under socialism the surplus value created by the worker is a profit to society. It can be taken by the state (for new investment, social services or defence) or it can be retained by the individual enterprise. If the individual factory or farm retains its profits or part of them why should it not pay back some of the money as bonuses to managers or piece-workers? In one of the first big experiments in the Soviet Union (the Bolshevichka-Mayak experiment) two groups of ready-made clothing enterprises, in Moscow and Gorky, were authorised to take orders direct from shops and to regard their plan assignment as the fulfilment of all orders received. Such a step towards the principle of open-ended plan assignments was thought to warrant the provision of material incentives not only for managers and technical staff but for all workers in the enterprises. The bonuses paid on completion of the sales plan were actually fixed at forty to fifty per cent of basic wages, a good deal higher than the average of thirty per cent of salary paid to managers

under the traditional schemes. Shortly afterwards some four hundred textile, clothing and footwear concerns in the main cities of the Soviet Union were put on the Bolshevichka-Mayak system of profit sharing.

Abuses under the Former System

Profit is not something that suddenly reappeared in Soviet industry: it has been there all along, and for many decades has been more or less carefully measured, and allocated to various uses. In a centrally planned economy the prices of goods and services are fixed by administrative action. The planners can fix the selling price of an article above or below the cost of producing it, depending on whether they think it ought to be made cheaper or dearer to those who need it, or imagine they do. If the price is fixed below the cost of production, or perhaps only just above it, there will not be much profit. In cases like this profit was never in the past a measure of the success of a Soviet enterprise or a basis for rewarding go-ahead managers. Material incentives took the form, instead, of bonuses for plan-fulfilment: it was well known, for example, that a manager in the oil industry might receive a bonus of forty-two per cent of his salary if the output plan for his unit was fulfilled, plus another four and a half per cent for every one per cent over-fulfilment. This arrangement, even though material incentives were not related to profits, was full of illogicalities and pitfalls and, in fact, put a premium on dishonesty. Any manager who decided to take an interest in maximising his income or improving amenities for himself and his family knew that it was in his interest to get the planned output set at a figure which could without too much difficulty be surpassed. On the other hand, if he wanted to continue receiving bonuses each year he must not surpass the plan by too wide a margin in one year, as that might make it impossible to dissuade the planners from raising it very abruptly next time, thereby killing the goose that laid golden eggs for him. Quite apart from this, production targets that are defined in tons, or in money value, soon become an incentive to avoid making articles that weigh less — for fear of ending the year with a reduced tonnage figure — and to resist any move towards (for example) cheaper clothing, as that would only too possibly result in a lower cash turnover.

These and other anomalies in the traditional Soviet system were often described in the press by Soviet writers and came in for a good deal of ridicule. Ten years ago about a quarter of the mining and oil drilling industries and one in every ten engineering establishments were running at a loss and therefore producing examples of the sort just described, where simply by applying the regulations it was possible to thwart the object they were intended to serve. Where an industry was running at

a profit, however, the economists and industrial experts, familiar with capitalist ideas and standards, found little to criticise. A certain level of profit was provided for in the annual plan and a minor but still important part of the planned profit (one to six per cent) was put at the disposal of the enterprise in the form of a directors' or company fund. If the enterprise exceeded the plan a much larger proportion of the additional profits, perhaps twenty to forty per cent would go into this fund. The purpose of the fund was partly to expand productive capacity and partly to improve housing and social services for those working in the enterprise and to provide money for bonuses. Thus where profit was the 'success indicator' (as a Western economist christened what the Russians called pokanateli) it did at least spur the enterprise to greater efficiency, not only by means of the carrot of bonuses and amenities but also by providing a less ambiguous measure of performance. Under the old system of management, however, only a relatively small part of the Soviet economy was working on profit lines. A number of other 'success indicators' were in general use, some based on the cost of the additions made by the factory to whatever it bought in from outside, others on the amount by which it reduced such costs, others again on increases in labour productivity, but the majority on gross output pure and simple. Obviously, therefore, the system worked against innovation, improvements in design, or adaptation to meet the needs of consumers, as any of these things involve a period of marking-time, if not an actual drop, in output while adjustments are being made. Under Krushchev not only the managers and Ministry supervisors, but also the party officials, were urged on by the promise of higher salaries for higher industrial output, ie for pushing existing processes as hard as they could be pushed instead of trying to rationalise them.

Such a system engenders conservatism, waste of labour, materials and, above all, of talent, and it fails to provide any real and vital link between the wishes of the consumer and the plans of the producer. The substitution of regional for central planning from 1957 onwards only made matters worse, because each region proceeded to work to its own quantitative success indicators in competition with other regions, and the anomalies that formerly appeared at the enterprise level quickly assumed regional proportions. Things could hardly have been otherwise. A society in which personal effort is geared to personal gain is bound to develop into an acquisitive society and to produce a race of technical and managerial specialists who will outmanoeuvre and, in effect, control the planners. But if the worth of everything is to be measured in money terms, as under capitalism, why not let it be done by the direct interplay of supply and demand? Why not let profitability be the only test and put all

enterprises on a basis which obliges them to justify each and every move in terms of its effect on profits? Such ideas, as we have said, were being canvassed by Soviet, Polish and Yugoslav economists for some years before Liberman formulated the proposals from which most people in the West date the 'new system of management.'

The New System of Management.

Looked at without blinkers the new system is no more or less than a rationalisation of the old. For the first time the principle is laid down that an industrial enterprise has to pay interest on the capital invested in it, as well as wages and salaries to the people it employs. Of course, it is not expressed in precisely that way. Managements are simply told that in future the contributions their factories make to the state budget will be in proportion to their capital, fixed and working. From your end-of-the-year surplus you have to pay back — to the state, not to private owners, for this is state capitalism — a sum determined by the amount you have previously had from the state in grants and credits. So the bigger the margin between your production costs and what you receive for your goods the more you will have left over after meeting your obligations to the state. This residue may go partly into a production development fund for expanding and improving the factory's production and so making it more profitable in the future; it may go into a fund for providing bonuses and other cash incentives: or it may go into an amenities fund for providing workers' flats, holiday homes, children's camps and the like. In any event those working in the enterprise and their families get the benefit, and therefore acquire a vested interest in making the difference between the costs of production and the return from sales as large as possible. The profit motive, in other words, stretches right down the scale and quickly becomes an incentive to make the enterprise more profitable than others so that greater efficiency in production, or in exploiting market demand, may bring its members more in the way of sought after amenities and the means to command goods still beyond the reach of most. From the point of view of those in the enterprise, moreover, investment funds originating from outside become a cost of production, as they raise the annual charge levied on the surplus before it becomes available for self-financing or for increased benefits in cash and kind.

The driving force in an economy organised on these lines is not the aim of raising the general average, but the effort of members of a much smaller group to secure a degree of affluence well above the average. If it could be taken for granted that the general average would rise in the wake of the rising standards of the most affluent groups there might still be an economic argument for this

arrangement. It would, however, be extremely naive to make such an assumption, as the essence of any system of industrial organisation geared to the market is competition and the survival of the fittest. The more capable the management and the more efficient the enterprise the more aggressive the competition, and the bigger the toll taken of the fortunes of rival enterprises.

Is it legitimate to speak of rival enterprises within a socialist economy? In the sense that they compete with each other to offer better remuneration and amenities to managers and workers, the enterprises obviously are rivals. That would not make them necessarily commercial rivals; but it soon becomes evident from perusing the Statute on the Socialist State Production Enterprise enacted in October 1965, that the new system of management also implies a steady extension of commercial competition. It is true that the state guarantees the enterprise 'the material-technical supplies and the wages fund essential for fulfilling the planned tasks' (Article 46). But the planned tasks are not fulfilled until the goods are marketed, and 'contracts for the sale of goods . . . are independently concluded by the enterprise in agreement with the purchasers' (Article 66). Not only this but 'the enterprise independently fixes the quantitative and qualitative tasks for its shops, departments, sections' (Article 45) which means that, step by step, it can organise its own expansion and get its 'planned tasks' extended. There are many possible stumbling blocks here, of course, but to make things easier for an ambitious management Article 72 steps in with the key provision 'The enterprise can use bank credit' — and thus obtain the finance needed to exploit whatever technical or commercial advantages it may require over other enterprises.

Profit Motive

The Soviet Union's managers' charter, as it has been called, is thus a decisive step since even though there are many resistances still to be overcome in its general application it marks the final acceptance of a new economic motivation for Russian industry. In fact it does not matter what the motivation is supposed to be at the centre since it is something quite different all round the circumference. It is there that the commercial profit motive operates at enterprise level. Shall we increase our production or stabilise it? Shall we reduce the price of existing lines until the market is satiated or invest in new designs and retool for something better? Shall we start what will amount to a take over bid for other enterprises in our field? All these questions will boil down, not to 'What is in the long-term interests of a socialist transformation of the economy?', but to the much more direct short-term question 'Is there money in it for us?'

There now seems little doubt that the seeds of a

future social conflict are being sown by the link-up between the fortunes of individual firms — which may become large and powerful — and the living standards of the communities dependent on them. The Progressive Labor Party of the United States were in principle correct to conclude in their 17.12.66 statement 'Road to Revolution':

'What is clear is that this scheme puts the workers of any plant in competition — that is, in antagonistic contradiction — with workers in other plants. Instead of society as a whole, that is, the working class as a whole, receiving the economic surplus produced by the Soviet workers, production units privately accumulate that surplus. In the example of the Volgograd Red October Works (where, according to the October 1966 *Soviet Life*, 800,000 roubles of additional profit was made, of which 720,000 roubles was going for bonuses - Ed.) 92 per cent of the surplus which should accrue to the entire working class is being kept as private profit and distributed in the form of bonuses.'

To condemn the adoption of the profit motive as the main driving force of Soviet industry is not the same thing as dismissing all schemes of decentralisation, direct negotiation between producers and those responsible for consumer supply, or even the introduction of much more rigorous measurement of the profitability of producing particular goods and services, or producing them in a particular way. All these things may play a big part in the development of a socialist economy without disturbing its foundations in any way, and indeed China has provided in recent years some of the best examples of the second (direct producer-buyer relationships).

But the profit motive, linked with the possibility of accumulation by the group, switches the effective point of control from the state organ charged with political supervision to the skilled professional 'operator.' This is what the French economist, Charles Bettelheim, one of the leading students of the Soviet and Chinese economies, has described as 'the introduction into a socialist economy of motivations which are foreign to it and which, if they are allowed to play too great a role, will prevent the very progress of socialism.'

Stalin's Warning

It sets society's feet once again on the path that leads, not to extending the range of cooperation but to extending the range of competition, not to reducing the gap between mental and manual labour and between town and country but to widening it, not to eliminating class distinctions but to emphasising and adding to them. Although Stalin may have failed to strike at the roots of this trend with the key weapon of mass education in socialist principles, he attacked the trend itself in his last theoretical work, **Economic Problems of Socialism in the USSR**. But his argument and warnings were rejected. And now, instead of seeing the political overthrow of an exploiting class followed by a

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Trade Union Notes

by Tom Hill

AS THE CONTRADICTIONS within the capitalist system become sharper, there is a corresponding increase in the contradictions between those elements who serve the interests of the capitalist class in the trade union movement. Each one seeks to avoid a head on clash with the state whilst at the same time seeking to convince his membership that the policy he is advocating is in their interests.

When Hugh Scanlon was elected as president of the AEU (as it then was) it was greeted with elation by many progressives in the movement as a defeat for the right wing, which it was, and a victory for all those who desired a leadership which would prosecute the demands of the membership irrespective of its effect on the capitalist system, which it was not.

His line at the TUC Conference of Executives could be considered 'progressive.' He pointed out the injustice of present society where ten per cent of the population own ninety per cent of the wealth, and that no control over prices and dividends was envisaged. He also pointed out that even if dividend restraint was introduced, it would only mean that profit would be put into reserve for payment at a later date. He also drew attention to the £2,300 million a year spent on armaments, and the relatively greater increases in wages obtained in the Common Market countries, compared with Britain, in the years between 1960-66.

However, when interviewed on television just after his election, he was asked if he would pursue militant policies to the extent of endangering the Labour Government. He replied 'Not at all.'

According to a report in *The Times* he addressed a meeting of union-sponsored MPs. He told them there would be no attempt to impose the union line on them. The union decides on a policy, the membership pay the political levy in order to get the views of the union put over in Parliament, but when an issue affecting the livelihood of the membership is to be discussed in Parliament the MPs are told that they can please themselves. Workers may well ask why bother to send them to Parliament at all, and why pay the political levy?

Returning to the Conference of Trade Union Executives, the main issue was the acceptance or rejection of the General Council's proposition that the individual unions should give up some of their autonomy and allow the Council to determine a norm for wage settlements to which the individual unions would adhere (that of course is always assuming that the employers would be prepared to offer anything at all in view of the strong backing

for a wage freeze that they are getting from the government). The norm suggested by the General Council was 3½ per cent for national settlements with a further 1½ per cent for local productivity bargaining, or, as George Woodcock put it 'A 14s increase for an adult worker.'

The main opposition to this plan arose from two angles. One was not clearly expressed because it does not necessarily arise from any concern for the interests of the membership. That is the reluctance of the individual unions to surrender any vestige of their power to any other combination of workers. In these circumstances, where centralisation of power can only serve to strengthen the hold of reaction over the workers, this is a positive aspect that we should encourage, even though their intentions are entirely opposed to ours. Objectively unions taking this stand assist our aim of weakening the power of the union executives over the rank and file.

Frank Cousins, the erstwhile darling of 'the left' was opposed to the General Council on the grounds that the norm was not high enough and not enough emphasis was given to productivity bargaining. This was supported by Cannon of the ETU with some reservations.

Clive Jenkins of ASSET took a similar line to Scanlon with the exception that Jenkins has not expressed himself in favour of a 'Package Deal' in the same way that Scanlon is committed.

It should also be noted that when Cousins and Jenkins have come face to face with the government on questions affecting the wages of their members, they have always sought to turn the membership away from the line of struggle, and into legal channels of contesting the decision in the courts.

Although the TUC General Council had a majority, it was so small that it must be regarded as a defeat. Even before the conference was held the government made it known that they intended to impose wage restraint as one of the methods of reducing living standards. The Jenkins budget was another part of the plan.

Productivity Bargaining

The TUC are committed to productivity bargaining both by reason of their membership of the British Productivity Council and by their public statements over a long period. They see this as a method of avoiding a head-on collision between the workers and employers in which the government will have to take sides. The government statement that 'increases in the cost of living are no reason for

... by an TUC leaders without exception. More and more workers are realising that they are concerned with adapting their policies to the needs of the employers rather than doing the job they are paid to do. This applies equally to supporters of TUC plans, productivity pacts, and package deals. It also applies to those 'Lefts' who oppose these things privately but refuse to commit themselves publicly.

One of the most widely known productivity agreements is the one made at the Fawley oil refinery. It is mainly based on craftsmen giving up traditional practices such as demarcation of trades, working in some cases without mates, and where mates are used they are not necessarily tied to one particular trade, eg a mate working with an electrician can be called upon to assist in any other trade. This did result in higher earnings, but once these practices have been 'sold' it is a once and for all 'bargain' that cannot be repeated. Whilst it is true that the introduction of new machines or new materials sometimes does render old skills 'redundant' as far as the employer is concerned, but from our point of view it means just another method of increasing the employer's profits by reducing labour costs and adding to the pool of unemployed.

What conclusions can we draw? It does not matter to a worker whether restrictions on wages are being brought about by the government or the trade unions in so far that the end result is a cut in

that the subscriptions he makes, to an organisation which is ostensibly for the purpose of defending and improving his conditions, are being used to pay the excessively high wages of union officials who are selling him out.

What should be our course of action in the immediate future?

- 1 Seek to convince the workers that mass opposition through direct action is the way to limit the effects of the capitalist attempts to solve their crises at our expense.
- 2 Demands for straight wage increases of at least two pounds per week and rejection of 'Productivity pacts' however they may be dressed up.
- 3 A campaign to encourage mass contracting out from the political levy, as a step in the direction of entirely separating the trade unions from the Labour Party.
- 4 A campaign against those forces in the unions who are seeking to strengthen the powers of the executive and limit the freedom of action of the rank and file at factory level.

To carry out these tasks means creating a more effective class movement at the base; more political work by the shop stewards so that the gaining of small immediate monetary gains is seen as less important than the long term perspective of the elimination of capitalism and all the veils that it produces.

EDITORIAL

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parading with banners and slogans . . . unaware that they can no more affect the demand schedule for their services than they can vary the phases of the moon.'

In the same speech, however, (delivered during the Post Office pay dispute) he said that the question of 'the wastefulness and the injustice of the restrictive practices of labour . . . could not now be shelved,' and he went on 'the unique privileges (that is, private laws) and immunities which legislation has conferred during the last ninety years on the combinations of labour in restraint of trade and competition . . . are not compatible with the rule of law.' Finally from the 'Guardian' of March 20 1965, reporting Enoch Powell speaking at Beaconsfield, 'The effect of collective bargaining was the same as any other restrictive practice . . . it makes everybody worse off in the end.'

It can be seen that Powell is an adept at attacking

policies and practices which benefit the working class, in such a way that he appears to be doing it for their benefit and not in the interests of the employers.

The working class has everything to lose by allowing itself to be divided on racialist lines. Anything which detracts from the overall interest of the class must be opposed.

Workers must in their own interest resolutely condemn racialism in any form.

EASTERN EUROPE

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destruction of the ideas it leaves behind it, we may be about to witness the re-acceptance of those ideas leading back gradually to the sort of society that produces them.

[The second part of this article will appear in the next issue of *The Marxist*.]

France: The Beginning of a New Era

A Preliminary Note

by Ron Peterson

The immediate consequences for France are still in doubt. The long term effects — not merely in France but for Britain, indeed throughout the western world — are incalculable.' The Sunday Times, London, May 26, 1968.

AT THE TIME OF WRITING (June 2) it looks as though the three week old nationwide strike in France may be coming to an end. A fuller analysis of the unprecedented events of recent weeks will have to wait until later but some important lessons may be drawn now. A resumé of events during the month of May will be of some assistance.

The spark that lit the prairie fire was ignited at the University of Nanterre where students had been involved in a fight against an authoritarian and antiquated educational system and against harassment and victimisation by the university authorities and the police.

May 3. Sorbonne. Riot Police (CRS) called to remove students who had occupied part of the university in protest against victimisation of militant student leader, Cohn-Bendit.

May 4. French Students Union (UNEF) and University Teachers Union (SNE Sup) call strike of members in protest against police brutality. Action Committee formed to organise demonstrations.

May 6, 7 and 8. Massive student demonstrations in Latin Quarter. Unrestrained police violence. Many students injured Barricades erected. Workers begin to join students. French revisionist party dismisses students as 'groupscules' — i.e. mini-groups.

May 10. De Gaulle orders riot police into Latin Quarter. Popular indignation at police brutality flares.

May 11. Trade Union organisations, CGT (Revisionist led) and CFDT (Catholic led) alarmed at rapid development and at increasing workers' involvement, call one day general strike for May 13, 'Assemblée du Faculté, Professorial Senate of Sorbonne submits to demands for democratisation — agrees to teacher/student participation in governing bodies of university.

May 13. General Strike. Students occupy Sorbonne. Mass demonstration of students, teachers and workers calls for resignation of Gaullist Government.

May 14. Workers at Sud Aviation factory in Nantes continue to strike. This sets pattern for whole of

France. During next ten days strike spreads throughout country, eventually involves ten million workers.

May 18. De Gaulle returns from Rumania.

May 22. Unions accept Pompidou's offer to negotiate on wages and conditions. The CGT does its best to drive wedge between students and workers — limits demands to economic sphere.

May 24. De Gaulle offers reforms and a referendum. No support from workers and students. Pompidou's concessions to unions (10 per cent wage rise, 35 per cent rise in minimum rates and progressive reduction to forty hour week) meets with cool response from workers. Seguy, CGT leader, howled down by Renault workers at Billancourt when announcing terms — told 'Ne signez pas'.

May 25. Revisionist CP and Federation of Left Censure motion against Govt. in National Assembly fails. Mitterand offers himself as candidate to head provisional 'Left' government.

May 29. De Gaulle leaves Paris to confer with army chiefs in Germany.

May 30. De Gaulle broadcast withdraws proposed referendum, threatens violence against strikers and students and promises general election. CGT and CFDT immediately agree to fight election. Armoured divisions begin to encircle Paris.

Whatever may be the immediate outcome, there is no doubt that the events of the past few weeks amount to a crisis for French capitalism of stupendous proportions. The French people have challenged not only the Gaullist government but the capitalist system itself.

The students raised the flag of revolt and it was rapidly taken up by the workers. The role of the students and young workers deserves some special attention.

Sections of the 'New Left' have argued for some time that in the advanced capitalist world the working class is no longer a revolutionary force, having become corrupted by the system. They would have us believe that it is to the students and avante-garde intellectuals that we must look as the progenitors of a new social order. We can see from France that such is not the case. We can also see that in France and throughout the world it is amongst the young, and particularly among the students, that the spirit of rebellion is developing most rapidly. Although the rebellion of youth and students is frequently associated with demands of an economic or administrative character, such as student grants, the prime motivation is a profound

disgust with the sordid morality and mercenary values of a moribund system. They find no inspiration in anything that capitalism has to offer and they rightly conclude that capitalism must be destroyed. But, as the French students have come to learn, and as the German students are learning, the oppressive, rotten system perpetrated by the capitalist class can only be destroyed by the **oppressed class** — i.e. the working class. There can be no doubt that in the future the essential alliance between the younger generation of revolutionaries and the workers will be formed.

Space permits consideration of only two other aspects of the French situation: 1 Political leadership and 2 Armed struggle.

1 The political party which calls itself communist is one with a considerable following amongst the French working class. It controls the most powerful trade union organisation in the country. Its role in the workers' and students' struggle in past weeks has clearly shown it to be a **counter-revolutionary party, determined to preserve the present order of society**. Seguy, leader of the CGT and a member of that party, has publicly declared that **the CGT is not working for the downfall of the government**. In a potentially revolutionary situation the Communist Party worked feverishly to keep the students and workers apart. It opposed united demonstrations and in some cases threatened with violence meetings jointly organised by workers and students. Its purpose in the trade union field was to limit the workers' demands to wages and conditions, and in the political arena, to observe the rules of the bourgeois constitutional game. The CGT has been condemned by Andre Barjonet, who recently resigned as secretary of that organisation's 'Centre for Economic and Social Studies'. He said, in an interview with the Left paper 'Combat': 'I have resigned from my duties at the CGT, duties which I have carried out for almost twenty-two years. . . for two main reasons. The first is that I have not only the conviction but the certainty that the leadership of the CGT has no intention of leading this formidable movement in a direction which is likely to bring about political changes in the society. . . When the time was ripe. . . Georges Seguy gets up and makes a speech declaring that the CGT does not intend to go beyond day-to-day Union demands.'

The role of the French Communist Party affords the best example to date of revisionist betrayal.

2 The programmes of all revisionist parties preach the possibility of a 'peaceful transition' to socialism. The revisionists are so certain about 'peaceful transition' that they long ago abandoned any preparations they may have made for a non-peaceful transition. But they are wrong. The events in France have demonstrated beyond doubt that **there can never be a peaceful socialist revolution**.

The situation prevailing in that country during the month of May was precisely one which, according to the revisionists, would afford the possibility of 'winning a socialist majority' in parliament and bringing about a 'socialist transformation'. At the end of May De Gaulle alerted the armed forces. Does anyone doubt that other capitalist rulers will do the same; or that they will hesitate to use the armed forces against the workers if need be? Or, does anyone doubt that, unless the workers themselves are armed, they will be crushed in such an event?

At the time of writing the proposed election remains three weeks away. Whatever the outcome, it will not amount to a peaceful transition to socialism. And of course, even allowing for the remote possibility that the revisionists may achieve their heart's desire — the election of a 'Left' government under Mitterand (or even Waldeck-Rochet), who doubts that it will be a capitalist government?

But the people of France will learn from their recent experience. They are learning that counter-revolutionary violence must be met by revolutionary violence — that **capitalism can be overthrown only by armed force**.

The French people have a glorious revolutionary tradition. They will remain true to it.

* * * * *

'Today, we have entered a great new era of world revolution. The national Liberation movements in Asia, Africa and Latin America have dealt heavy blows at imperialism headed by the United States, accelerated the development of the political and economic crisis of the imperialist countries and intensified the class contradictions in these countries. The broad masses of the working class and the oppressed people have expressed their ever-more bitter grievances against the reactionary rule of the monopoly capitalist class and the existing social system, and have increased their resistance. The new high tide of the revolutionary mass movements in Europe and North America is precisely a striking expression of the daily deepening and intensifying internal conflicts in the capitalist world.'

Editorial, People's Daily, May 27, 1968.

'The young intellectuals and students throughout the country must unite with the broad masses of workers and peasants and become one with them, and only then can a mighty force be created. A force of hundreds of millions of people! Only with this huge force can the enemy's strongholds be taken and his last fortresses smashed.'

—Mao Tse-Tung in an article
The Orientation of the Youth Movement
(May 4, 1939).

Britain after the Budget

by David Hall

THE WEEKS LEADING UP to the Budget on March 19 were weeks of growing strain and stress. There was pressure on the pound, an accelerating rush into gold and rising Stock Exchange prices, demonstrating the preference for equities over money. The press spoke more and more openly of a fundamental crisis in international capitalist monetary and trading relationships, of the weakness of the dollar, of the need for big changes if an uncontrolled smash-up was to be avoided.

Developments within the UK were not the cause of this situation. After sterling's devaluation in November 1967 capitalist opinion was broadly agreed on Britain's prospects — that during a first phase the rising cost of imports at post-devaluation prices would outstrip receipts from exports, which would need time to benefit from devaluation; that the economic resources to make possible the desired shift in the British import/export balance must come mainly from a severe squeeze on the living-standards of the British people; and that central bank assistance would support the pound while these measures were pressed forward.

By March nothing had happened in Britain to alter these calculations. Britain did not originate the storm sweeping over the world monetary system. The crisis was centred on the dollar. Johnson's speech of January 1 promising to strengthen the dollar by reducing the US payments deficit was overtaken by events in Vietnam. The Tet offensive exploded American boasts about the military situation. It made clear that the US, even if it wanted merely to go on in the old way in Vietnam, would be persisting in policies incapable of achieving victory and certain to intensify the drain on the dollar. The alternative policy of major escalation reportedly called for by General Westmoreland in his demand for 206,000 additional troops would mean an even worse drain.

Hence the rush from the dollar into gold. Sterling was caught up in this. Sterling was sold for dollars which were then converted into gold. The pressure on sterling was a reflection of the crisis of the dollar rather than some new and independent crisis in Britain.

In this situation the Budget could be only a one-way mechanism. If it failed to win approval from the capitalists it would add to the pressures against sterling; but at best it could not end them, since

they were bound to persist while the tide ran against the dollar. A 'bad' budget could damage sterling; a 'good' one could not strengthen it. Such was the situation facing the Labour administrators of British capitalism.

Jenkins' overriding object was thus to win capitalist approval. Government borrowing was reduced to £364 million (a figure well within genuine savings capacity and much below the borrowing figures of previous Labour budgets) making his budget deflationary. His aim was to reduce imports, tighten the home market and induce manufacturers to export more. The Labour politicians boasted of their statesmanlike toughness. Making black white and white black, they described their attacks on living standards as measures to help the workers. In face of the ungrateful workers' complaints, Wilson reshuffled his Cabinet early in April to show that his policies were fully endorsed by the 'left-wingers', such as Crossman and Mrs Castle. This amounts to a free spending of political capital, since the workers are bound very rapidly to see that politicians executing reactionary policies can only be reactionaries whatever 'left' figleaves they pull over the truth. This rapid using up of British capitalism's social-democratic political reserves might well mean that Wilson's Government will be the last Labour government to be seen in Britain.

The budget seems to have succeeded for the time being as a public-relations exercise on capitalist opinion. But whether its economic targets will be achieved is another question. The movement of wages, costs and prices will affect all the budgetary calculations and we feel sceptical about Jenkins' forecasts. We believe both prices and wages will move up more than he indicated — the former certainly and the latter probably. Thus, as regards both the squeeze on workers' standards and the cost-competitiveness of British exports, reality will be worse than Jenkins predicted. The inexorable slide downwards of British imperialism will continue. Nothing else is possible so long as submission to US domination is the core of British policy.

The Budget was divided into two main groups of measures. The first comprised measures against the people's standards. Increased Employment Tax, higher duties on spirits, tobacco, petrol and diesel oil, increases in purchase-tax, betting tax, road-licences, etc, were estimated to yield over an ad-

ditional £600 million a year, on top of the burdens already resulting from higher prices for gas and electricity, rail fares and post office charges. The second group were measures against the wealthy — the investment surcharge, and changes affecting Estate Duty and children's unearned incomes. According to the Budget speech, these would yield only £136 million, while this figure seems likely to be reduced through changes in detail when the actual legislation is put through. Clearly these measures are thin political sugar-coating for the workers' pill.

The essence of the Government's policy is to push up prices and taxation beyond the workers' capacity to secure compensating wage increases, in order to reduce real standards. This is an easier strategy than Baldwin's during the nineteen twenties, of reducing standards by direct cuts in money wages. The Government will press this policy by every means — the threat of legal action against wage increases, demagoguery about actions against the rich to secure equality of sacrifice, the enmeshing of the trade union leaders in the objects of the Incomes Policy and diversion of attention to the false issue of whether these objects should be achieved by 'voluntary' or legislative means.

A New Phase

We should not underestimate the possibilities for a time of confusing the workers and handicapping their resistance. But this is only one side, and the less important, of the medal. The British workers will certainly resist the downgrading of their standards. In their struggle they will see who are their enemies and who their friends. Their struggle will start for economic objectives. But the struggle itself will bring enlightenment on fundamental political factors. We are entering a new phase in British politics, ending the passivity and narrowness of past years. The class struggle will sharpen. New forms and new leaders will come forward. The abysmal Labour defeats in the four recent bye-elections are the signal of this. The struggle will not develop smoothly and easily, without setbacks. But in Britain after the Budget the stage is now set for a recrudescence of the activity of the British working class on issues which will bring great numbers into action.

What of Britain's role internationally? The gold rush in March led to the Washington Conference of bankers, which established a two-tier price system for gold. There is general agreement that this did no more than secure a breathing space for the dollar, during which the Americans are expected to reduce their balance of payments deficit. The Stockholm meeting at the end of March of the wealthier industrial countries comprising the Group of Ten appeared to reach agreement (omitting France) on the introduction in 1969 of the scheme for assisting

the dollar by introducing special drawing rights under the International Monetary Fund. Whether this agreement will actually take effect in 1969 remains to be seen; what is immediate is that the US and Britain had to agree to a change in the voting quotas of the IMF which will give the Common Market countries, if they act as a group, a veto on future policy changes.

Thus the Americans have been served notice that they cannot continue indefinitely to pay for their aggression and economic penetration by pushing more and more paper dollars into the hands of foreigners. They are required to deal with their deficit and restore confidence in the dollar. Dealing with the deficit means first and foremost dealing with the drain caused by the Vietnam war.

The Dollar Crisis and Vietnam

This is at the root of the American moves over Vietnam — the partial bombing-pause, Johnson's statement about not serving another presidential term, and the talk of negotiations with Hanoi.

To retreat over Vietnam would be a defeat for the US imperialists of major importance, encouraging both the forces of national-liberation ranged against them all over the world and increasing the resistance of other imperialists to US domination. Not to retreat, to persist in their Vietnam aggression, clearly now means to jeopardise the role of the dollar as the key instrument of US financial and economic policy. If the US has to choose between its position on Vietnam and the dollar, which will it be?

The choice is painful. There are elements in US imperialism which refuse to recognise its necessity and are prepared to go on as before, seeking by intimidation, pressure and military action to bend everyone to their will. But the signs are that other sections within the US see that some change is called for.

This is not because of any feelings of morality or differences over objectives. The US imperialist aim remains world domination. But some sections now seem to recognise that in today's situation some effort must be made to lighten their load, that they have become overstretched. As persistence in the old Vietnam policies is certain to destroy the rôle of the dollar, they appear to accept some of the consequences of a decision to put the dollar first.

The choice of decision is not in fact as simple as they may believe. The Vietnamese people will not be fobbed off with illusory concessions, and their continued fight for the full withdrawal of the aggressors will keep the US under maximum pressure for a long time ahead. Furthermore, changes in American tactics on Vietnam which demonstrate weakness will lead the other imperialist powers to seek every opportunity for seizing advantage for

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People's War and the World Revolution

by Mike Faulkner

THE TREMENDOUS OFFENSIVE launched at the end of January by the PLAF and people of South Vietnam against all the positions of US imperialism and the Thieu-Ky clique marks the beginning of the end for the US in Vietnam. There can no longer be any doubt that they will suffer the same fate as did the Japanese and French before them. But the impending defeat of the US is of far greater significance for the world than any other defeat suffered by imperialism for a very long time. It is no exaggeration to say that the victories of spring 1968 have already administered a blow to the forces of world imperialism from which they will never recover. The final phase of Vietnam's revolutionary war of liberation which we are now witnessing is the beginning of a new chapter in the world revolutionary process.

As ever greater manpower and military equipment are poured into Vietnam, the contradictions within the US itself are becoming exacerbated. The shiny facade of American society is cracking apart. In the grips of the most acute financial crisis since 1931, the US ruling class is concurrently challenged by an Afro-American rebellion of unprecedented scope and violence. The military defeat, the money crisis and the Afro-American revolt are integrally related parts of the all-embracing crisis of a moribund system. The desperate appeals for calm on the home front addressed to twenty million oppressed black Americans; the often proclaimed desire for Vietnam 'peace negotiations' and the sanctimonious clap-trap about 'peaceful co-existence' are all part of the US rulers' vain attempt to divert the course of history. Behind Johnson's crocodile tears and the colossal public relations job being done for US imperialism throughout the capitalist world, lie the realities of brute force, racial oppression and massive world-wide economic exploitation.

If there is one outstanding lesson to be learned from the confrontation in Vietnam it is that **people's war** is invincible. There should be no doubt that the Vietnamese road to liberation is the road which must be taken by all colonial and semi-colonial peoples suffering imperialist exploitation. There certainly will be many more Vietnams so it is important to understand just what type of war the Vietnamese people have been waging for more than two decades, and how they have been able to immobilise and cripple the manpower and military

might of the most powerful imperialist nation on earth.

Amongst socialists in the advanced capitalist world there is now a growing understanding that capitalism and imperialism will be defeated only through armed violence. The violence upon which capitalism rests does not permit any pacific transition to socialism. But what is not yet sufficiently understood (although it is being learned in those countries where the armed struggle is either imminent or in progress) is that armed struggle itself does not make victory inevitable. Victory will only be attained if the struggle for national liberation takes the form of a **people's war**. Neither the term 'armed struggle' nor 'guerrilla warfare' accurately defines 'people's war.'

The Vietnamese are waging a people's war. General Giap, Commander-in-Chief of the People's Army of the Democratic Republic of Vietnam has said: 'Our weapon is the invincible people's war and we have gained great experience in conducting it. If it can be said that in present day military affairs there is a greater invention than atomic weapons, ie people's war, then the Vietnamese people have effectively contributed to the perfecting of this new arm and are keeping it firmly in their hands. It has developed in Vietnam's historical, political and social conditions and obtained a very high degree with an original and extremely substantial content. . . . It is a revolutionary war waged by a whole people on all planes, a revolutionary war fought by a small nation in a narrow and thinly populated country, having an under-developed economy, relying on the strength of an entire people united in struggle. With it the people will finally defeat an enemy many times stronger. . . . Moreover, the outstanding characteristic of the people's war in our country at the present stage is that, **in its very process, armed struggle and political struggle are very closely co-ordinated, supporting and stimulating each other.** Therefore the slogan "mobilise the entire people, arm the entire people and fight on all fronts" has become a living and heroic reality.' (My emphasis.)¹

The above quotation lays bare the essential elements that combine to produce the extraordinary power and quality of the Vietnamese people's struggle. To assimilate its full meaning, that struggle must be studied as a component part of a continu-

ing world revolutionary process.

For too long Marxist thinking in the west has hobbled along behind events. Caught up on the postulates of the 'Cold War', the revisionists have regarded the socialist/imperialist conflict primarily as the confrontation of nuclear-armed states. The post world war two upsurge of the peoples throughout Asia, Africa and Latin America has been accorded a place of secondary importance within this schema. It should have been seen as the dynamic motor-force of world wide anti-imperialist struggle. The abandonment of a global revolutionary perspective and the substitution of a spurious 'peaceful-co-existence' formula has been one of the most dangerous revisions of essential Marxism-Leninism. If revisionism is to be completely rejected and Marxism again to become a living science in the west, the revolutionary world outlook which lies at the heart of the thinking of Marx, Lenin and Mao Tse-tung must be restored to its rightful place.

Vietnam should be seen not merely as a matter of regional significance, but as the most acute expression of the major contradiction in the contemporary world.

Cities and Countryside

The nature of people's war in the colonial and neo-colonial world can be understood properly when it is seen as a form of struggle arising from the social, political and economic conditions imposed by imperialism upon the peoples of the vast exploited areas under its domination. The Communist Party of China analysed the main contradictions in the contemporary world in an important document in 1963, a key section of which reads: 'The various types of contradiction in the contemporary world are concentrated in the vast areas of Asia, Africa and Latin America; these are the most vulnerable areas under imperialist rule and the storm centres of world revolution dealing direct blows at imperialism. . . . In a sense, therefore, the whole cause of the international proletarian revolution hinges on the outcome of the struggles of the peoples of these areas, who constitute the overwhelming majority of the world's population.'²

From China's rich experience in revolutionary struggle and from a careful analysis of the international situation, it has been possible to develop a generalised theory of world revolution in the present era. Mao's numerous writings on the Civil War and the Anti-Japanese War contain a theory of people's war, two salient features of which are: (a) the need to develop revolutionary base areas in the rural districts, and (b) the need to wage protracted war of a guerrilla type, mobilising the whole people and with the eventual aim of encircling the cities from the countryside. Lin Piao has taken these two elements from Mao's strategy and applied them to the existing world scene. He reaches the following

conclusions: 'Taking the entire globe, if North America and Western Europe can be called the "cities of the world", then Asia, Africa and Latin America constitute "the rural areas of the world". Since world war two the proletarian revolutionary movement has for various reasons been temporarily held back in the North American and West European capitalist countries, while the people's revolutionary movement in Asia, Africa and Latin America has been growing vigorously. In a sense, the contemporary world revolution also presents a picture of the encirclement of cities by the rural areas.'³

National Democratic Revolution

In the theoretical formulations of the Chinese and Vietnamese comrades we find a clear strategic line on world revolution which may be summarised as follows: In the contemporary world the principal contradiction is that between imperialism headed by US imperialism on one hand, and the peoples of Asia, Africa and Latin America on the other. These latter include the most severely exploited of all the world's peoples and constitute the large majority of mankind. The October Revolution in Russia was a proletarian socialist revolution in an imperialist country which started in the cities and spread to the countryside. Its victory established a link between the proletarian revolution in the west and the revolutionary movements of the east. The anti-imperialist revolution in the three continents which is national democratic in character, is no longer part of the bourgeois world revolution, but part of the proletarian world revolution. It is therefore a new democratic revolution which mobilises all progressive forces and classes against imperialism, feudalism and comprador capitalism. Its base is in the countryside amongst the peasantry, but to be successful in completely overthrowing the old order, it must have proletarian leadership. On the basis of the worker/peasant alliance this 'new democratic' revolution proceeds to power and initially establishes 'new democracy' from which it moves to the construction of socialism. From its inception the victorious revolution is effectively a proletarian dictatorship, because, although united with other classes to achieve a radical transformation of society, for the whole of its period of gestation the revolution is under proletarian leadership. The struggle for power will usually be protracted and it must take the form of a people's war.

The general principles of Mao's theory of new democratic revolution are relevant throughout the three continents. But here two points should be borne in mind. As Mao himself stresses, the universal truth of Marxism-Leninism must be integrated with the real conditions prevailing in each country, and although the nature of their development has produced basically similar features in all countries

of the colonial and semi-colonial world, there are nevertheless important variations which must have a bearing on the form the struggle will take. Secondly, it cannot be too strongly emphasised that although the national democratic revolution is impossible except through people's war, it does not follow that all successful people's wars inevitably lead to the establishment of the type of 'new democratic' state which was established in China. There is no magic equation between the two. The assumption that any struggle which is not led by a Marxist-Leninist party can never take the form of a people's war indicates an incomplete understanding of people's war. Lin Piao, in the article already quoted, gives examples of liberation struggles not all of which were led by Marxist-Leninists and the outcomes of which have differed considerably: 'The peoples of China, Korea, Vietnam, Laos, Cuba, Indonesia, Algeria and other countries have waged people's wars against the imperialists and their lackeys and won great victories.'⁴

Clearly then it is possible in some cases for people's wars of national liberation to be waged under the political leadership of the national bourgeoisie — as was the case in Algeria and Indonesia. Unless the leadership is wrested from them by the proletariat before or following the liberation, then the revolution will be halted at the national democratic stage, for the national bourgeoisie has no interest in building socialism. So the question of class leadership does not determine whether or not the masses can be mobilised to fight a people's war, but it does determine to a large extent the depth of mobilisation, and, of course, the character of the state power following liberation.

Mao on People's War

We may conclude that people's war is always revolutionary war. It may be either a war of liberation against a domestic ruling class or a war of national liberation against the oppression of a foreign power and its native compradors. A people's war of national liberation will usually but not always involve a struggle against the occupation forces of a foreign imperialism. Whether it is a revolutionary war against domestic oppressors or a revolutionary war of national liberation, the people's war will draw within its orbit all classes suffering from the oppression. It is a war of unequal forces, which because of its social character is fought according to principles different from conventional modern wars. '... the revolutionary war is a war of the masses; it can be waged only by mobilising the masses and relying upon them.'⁵ The support of the masses and their involvement in the struggle is a key factor in people's war. Without it victory is impossible. In purely military terms there will never be equality between the combatants. The oppressing class or nation usually has at its disposal large

mercenary armies, transport vehicles, fighter planes and bombers, and often nuclear weapons. Initially the masses are unarmed, unorganised and poor. At the outset, if the outcome depended upon weapons and technological superiority the people would not stand a chance. But it does not. Although no war can be fought without weapons, the guarantee of final victory to the masses in such an apparently unequal contest lies within the social causes which give rise to their struggle. The plight of the masses makes possible their mobilisation to fight for an end to those intolerable conditions and the ensuing struggle is inspired by their determination to achieve that end. The masses become more fully mobilised as the struggle develops and gain increasing confidence in their ability to win as they come to recognise that the enemy is far from invincible. The social base of the people's army is as extensive as the people themselves.

In his writing on China's revolutionary war Mao describes the strategy of the Red Army as 'to pit one against ten' and the tactic as 'to pit ten against one'. The strategic principle applies to the overall ratio between the people's forces and the enemy; the tactical principle to the particular offensive or counter-offensive. This can be regarded as fundamental to all people's wars.

In a people's war, the masses are challenging the armed force of the state with the object of destroying it. Success will depend upon a number of factors, not the least of which is organisation. People's armies are not recruited overnight; they are built in struggle. The embryo of the people's army is the guerrilla force and the first phase of a people's war takes the form of guerrilla warfare. Although much of the guerrilla character is preserved throughout the duration of a people's war, guerrilla warfare itself is not the whole of people's war. There is no intrinsic merit in preserving the people's forces at the guerrilla level and the guerrilla units must always aim to expand their forces through amalgamation and to improve their combative quality.

Political and Military Strategy

Here it must be emphasised that any attempt to lay down a **complete** set of rules for the conduct of all people's wars is impossible. As has been stated, variations in local conditions, geographical and otherwise, render any such attempt fruitless. A more realistic undertaking will be an attempt to see whether, in order successfully to lead a people's war through to **complete** victory — ie the establishment of a new democratic type of state — there are any general principles, universally valid for all such wars. Looked at from this standpoint there are two aspects which deserve particular attention. They are (1) The question of political/class leadership, and (2) The role of revolutionary base areas.

China's revolutionary war and the Vietnamese struggle for national liberation have both been fully documented and analysed as have no other such wars in the contemporary epoch. Mao's writings on military strategy in particular present us with the most complete Marxist-Leninist theoretical analysis. A study of 'Problems of China's Revolutionary War,' and 'Problems of Strategy in the Guerrilla War Against Japan,' reveals the interrelatedness of political and military strategy. There is no military science that is not also political. The struggle in China appears inconceivable without the leadership of the Communist Party. Mao's ceaseless, painstaking analysis of each phase of this struggle is a supreme example of what is meant by the 'mass line.' Everything comes from the actual practice of the masses. Hence he never makes generalisations unrelated to the real situation. The strategy and tactics of the Anti-Japanese War were developed on the basis of an analysis of new contradictions both within China and in the international situation in the face of Japanese imperialist aggression. The primary contradiction was that between China and Japan, and Mao's whole strategic line was adapted to meet a new situation. The revolutionary struggle became primarily one of national liberation and this necessitated forging a united front of anti-imperialist forces. The contradictions which had existed and those which had been primary in the previous period of the Civil War were not eliminated; they became secondary and assumed a different aspect.

China and Vietnam

It is in relation to the Anti-Japanese War that Mao develops his strategic conception of guerrilla warfare as a form supplementary to the regular warfare waged by the Eighth Route and New Fourth Armies. Consolidation of the united front, the mass mobilisation and the establishment of revolutionary base areas were the essential prerequisites for the successful prosecution of the War of Resistance. The political leadership capable of embracing the whole of the Anti-Japanese War within the strategic perspective of China's New Democratic Revolution, without defaulting on one or the other, was of an extraordinarily high quality. The Communist Party, guided by Mao Tse-tung, succeeded in mobilising and leading millions of people along this tortuous road to final victory. 'The line of our Party during the War of Resistance aimed not only at winning victory in the war, but also at laying the foundations for the nation-wide victory of the new democratic revolution.'⁶

In China the united front was built on the principle of unity through struggle. Its foundation-stone was the worker-peasant alliance, represented by the Communist Party. Within this alliance the working class was dominant. On the basis of the alliance with the masses of the peasantry, the working class was

able to unite under its leadership the large majority of the people and to assume the leadership of the national democratic revolution.

Throughout China's long revolutionary struggle politics have been firmly in command. Proletarian leadership was not a matter of numerical preponderance. It was expressed in the form of a steeled and tested party securely based in the proletariat and moulded by the political genius of Mao Tse-tung. Mao has successfully guided the Chinese people over many years of people's war, through the new democratic revolution to the victory of socialism. He wrote in 1940 'Except for the Communist Party, no political party, (bourgeois or petty bourgeois) is equal to the task of leading China's two great revolutions, the democratic and the socialist revolutions, to complete fulfilment. From the very day of its birth, the Communist Party has taken this twofold task on its own shoulders and for eighteen years has fought strenuously for its accomplishment.'⁷

Commenting on the leadership of the Vietnamese people's war, Vo Nguyen Giap expresses himself very similarly to Mao: 'Our Party has a correct revolutionary line. This line is the condensed expression of the creative combination of Marxist-Leninist general principles with the concrete practice of our revolution. This is the line of the people's national democratic revolution progressing to socialism in a former colonial and semi-feudal country. . . . Today our people in the South have the National Front for Liberation, a broad organisation possessed of a correct line and programme. . . .'⁸

Certainly, from the experience of China and Vietnam, it seems that a people's war can only be carried to **complete** victory in the sense that Mao and Giap explain it, if it is waged under the leadership of a Marxist-Leninist party. The question is, can this be regarded as a universal law governing the development of all national democratic revolutions? Before considering this we shall look at the question of revolutionary base areas.

According to Mao one of the essential tasks for the popular forces in the Anti-Japanese War was the establishment of base areas. He called for the extension of guerrilla warfare throughout all Japanese occupied territory and described the base areas as 'strategic bases on which the guerrilla forces rely in performing their strategic tasks and achieving the object of preserving and expanding themselves and destroying and driving out the enemy.' As there is no rear in guerrilla warfare behind enemy lines, the base areas are of strategic importance and in fact serve as a rear. In the Anti-Japanese War three types of base area were employed; in the mountains; in the plains; and in river estuaries or lake regions. Stressing the need to establish guerrilla bases, Mao warns against what he calls 'the roving rebel mental-

ity: 'In the present age of advanced communication and technology, it would be . . . groundless to imagine that one can win victory by fighting in the manner of roving rebels. However, the roving rebel idea still exists amongst impoverished peasants and in the minds of guerrilla commanders it becomes the view that base areas are neither necessary nor important.'

In the Anti-Japanese War three basic conditions had to be fulfilled before base areas could be established; 1 the building up of armed forces; 2 the armed forces and people should have dealt heavy blows at the enemy; 3 the masses should have become fully aroused against Japan. Mao also mentions another condition important to the establishment of guerrilla base areas — an extensive territory.*

Base areas were of strategic importance during the war of resistance. Their establishment was part of the mass mobilisation of the Chinese people against Japan. But can the conception of the base area be considered a general principle applicable to all people's wars? In considering both this and the previous question concerning political/class leadership, it may be worthwhile looking briefly at the Cuban Revolution, which is sometimes regarded as an exceptional case.

Cuba

'The great victory of the Cuban people's revolution has set a brilliant example for the national-democratic movement of the people of all Latin American countries and has greatly inspired the struggle of all oppressed nations of the world for their liberation.' (Mao Tse-tung.)⁹

'This is a unique revolution, which some people maintain contradicts one of the most orthodox premises of the revolutionary movement, expressed by Lenin: "without a revolutionary theory there is no revolutionary movement." It would be suitable to say that revolutionary theory, as the expression of a social truth, surpasses any declaration of it; that is to say, even if the theory is not known, the revolution can succeed if historical reality is interpreted correctly and if the forces involved are utilised correctly.' (Ernesto Che Guevara.)¹⁰

Unfortunately, little in the way of real Marxist

*In the 1965 edition of his Selected Works Mao somewhat amends his view concerning size of territory. His additional note reads in part: 'Since the end of world war two . . . in the new historical circumstances . . . the conditions under which the people of various countries conduct guerilla warfare today need not be quite the same as those which were necessary in the days of the guerrilla warfare waged by the Chinese people against Japan. In other words, guerrilla war can be victoriously waged in a country which is not large in territory, as for instance, in Cuba, Algeria, Laos and southern Viet Nam.'

analysis has been made of the Cuban revolutionary war. The main published works of Che Guevara do not approach their subject in anything like the way Mao and Giap have done and can in no sense be regarded as a theoretical explication of that struggle. They make no claim to be more than reminiscences of campaigns. And, despite its pretensions and the claims of its admirers, Regis Debray's 'Revolution in the Revolution' presents neither an objective analysis of the Cuban revolutionary war, nor an acceptable theoretical basis for the Latin American liberation movement.†

Within the limits of this article's subject it is not possible to deal extensively with Cuba, but some observations are called for.

As the unsuccessful Dominican revolution has already shown, it is extremely unlikely, perhaps impossible, that any other people in that hemisphere will be able to accomplish what the Cubans did without bringing down massive US intervention. But this does not alter the fact that the Cuban revolution was one of the most thorough-going social upheavals since the Chinese achieved their liberation. Despite the negative features, past and present, in Cuba it has made the first breach in the imperialist domination of the western hemisphere and is the first Latin-American country to take the socialist road.

While not adequately accounting for the 'uniqueness' of the Cuban revolution, it seems that Guevara's remarks, quoted above, have a point in relation to it. The Cuban revolutionaries relied upon the people in the countryside and mobilised them in support of the armed struggle. They waged a people's war against the vastly superior military strength of the comprador Batista regime, winning over the majority of the people. They overthrew the old state and disbanded its armed forces. They carried through the national-democratic revolution and established a state based on an alliance of various classes. Sections of the national bourgeoisie were initially represented within the new state power. The new state began to carry through an agrarian reform. The expropriation of the latifundia, followed by wholesale confiscation of domestic and foreign owned largescale enterprises brought Cuba into sharp collision with US imperialism. As these events unfolded, representatives of the national bourgeoisie within the government began to attack the revolution. A struggle ensued which resulted in their expulsion from all positions of importance within the state. It was this two-pronged attack by domestic class enemies and the imperialists which moved the national-democratic revolution rapidly in the direction of socialism, consolidating its base amongst the workers and peasants.

†An important critical review of Debray's book appeared in the Nov-Dec 1967 issue of 'Progressive Labor,' journal of the US Progressive Labour Party.

The question relevant to our subject is: what was the character of the Cuban people's war of liberation and what kind of leadership did it have?

The revolutionary war was comparatively short, lasting about two years. The number of men under arms in the Cuban Rebel Army was small — not more than a few hundred mid-way through 1958, only six months before the seizure of power. No real class analysis of the kind made by Mao in China had been undertaken in Cuba before the launching of the armed struggle. The establishment of base areas was not the sine qua non for launching successful offensive operations. In fact it was only in the summer of 1958 that the first base area was established in the Sierra Maestra. **There was no Marxist-Leninist party in Cuba and the 26 July Movement had no clear ideology.**‡

Exceptional Case?

What then, were the factors present in the Cuban situation to account for the successful completion of the national-democratic revolution and the subsequent establishment of a socialist state?

There were two particular factors which may perhaps be considered exceptional: a The US imperialists had begun by 1958 to think about an alternative government to that of Batista, which, universally detested in Cuba, was becoming an embarrassment to the US. They completely misjudged the character of Fidel Castro's movement, imagining that it would offer the basis for a new regime, less unpopular than Batista's, but equally pro-imperialist. b Che Guevara has pointed out that 'in most parts of Cuba the country people had been proletarianised by the operation of big capitalist, semi-mechanised forms of cultivation and had entered a stage of organisation that gave it a strong-class consciousness.'¹¹

A large proportion of the rural population were not really peasants but agricultural wage labourers, swelling the ranks of the proletariat. The worker/peasant ratio in Cuba — the reverse of that existing in most colonial and semi-colonial countries — was an important factor in the transition to socialism.

Although Batista's forces were armed by the US there was no direct imperialist intervention in the Cuban revolutionary war. In a set of circumstances unusually favourable to the popular forces it was possible for a group of men with little clear political ideology, but sincerely dedicated to overthrowing a tyrannical regime, to stimulate and lead an armed struggle which eventually assumed the character of a people's war of liberation. There can be little doubt that in practice they did interpret historical reality correctly and utilise the forces involved cor-

rectly. In fact, they acted much as a Marxist-Leninist party should have acted — had one existed in Cuba.

There can also be no doubt that had there been imperialist intervention before 1959 the struggle would have been much longer and far more bloody. Also, in such an event, a far more thorough mass mobilisation would have been necessary. This would have necessitated a political campaign amongst the people to deepen and consolidate their resistance, and it is doubtful if the 26 July Movement would have been capable of such a task. But there was no imperialist intervention.

The favourable conditions in which the revolutionary war was waged do not invalidate the extent of the victory or diminish the heroism of the Cuban people. They do go a long way to explain how it was possible for a people's war to triumph in Cuba when it had barely passed out of the guerrilla warfare phase.

That the leadership of the Rebel Army learned a great deal from practice, from their integration with the masses, cannot be doubted. During the course of the struggle they began to remould themselves, and were able, after the seizure of power to steer the revolution on to a socialist course. That the general laws of people's war had been absorbed by at least some of the Cuban leadership is clear from the following statement by Che Guevara:

'On the ideological base of the working class, whose great thinkers discovered the social laws that rule us, the campesino class in America will provide the great liberating army of the future, as it has already done in Cuba. This army, created in the countryside, where subjective conditions ripen for the seizure of power, proceeds to conquer the cities from the outside, uniting with the working class and enriching the content of its own ideology by those contacts. It can and should demolish the oppressor army, at first in skirmishes, combats, surprises, and finally in great battles, when it has grown from a small guerrilla band into a large people's army of liberation. . . . Imperialism has learned, fundamentally, the lesson of Cuba and it will not again be taken by surprise in any of our twenty republics, in any of the colonies that still exist, in any part of America. This means that great popular battles against powerful invasion armies await those who now try to violate the peace of the sepulchres, the Pax Romana. This is important, because if the Cuban War of Liberation with its two years of continual combat, anguish, and instability was difficult, the new battles that await the people in other parts of Latin America will be infinitely more difficult.'¹²

For these 'great battles' it will be essential to have an integrated military and political leadership. Be-

‡The revisionist Popular Socialist Party initially condemned Castro as an adventurer and refused to support the Sierra campaign. Only in the final stages did the PSP give any active support to the armed struggle.

cause it will be 'infinitely more difficult' nothing short of a Marxist-Leninist party will be capable of providing that leadership and mobilising the masses in the manner necessary to achieve victory. Therefore, any attempt to elevate the largely pragmatic practice of the Cuban revolutionary war to a set of general principles, and to hold up the Cuban liberation struggle as a model to be exactly copied throughout Latin America, can be extremely dangerous.

We may conclude that although there were exceptional features in the Cuban situation which explain why it was possible to carry through the national-democratic revolution and lay the basis for socialism without the leadership of a Marxist-Leninist party, this in no way invalidates the principles established by Mao Tse-tung. The Cuban experience is unlikely to be exactly repeated anywhere else in Latin America, and it is up to Latin American revolutionaries, who know best the conditions prevailing on their continent, to apply these principles to their own conditions. In a number of Latin American countries the armed struggle has been in progress for some time. The coming years will see its intensification and the people must be prepared to meet and defeat the most ruthless repression on the part of the native oligarchies and their US masters.

Counter-Revolutionary Revisionism

During the last twenty years it has been clearly demonstrated that the imperialists are unable to defeat any nation which takes up arms in a people's war of liberation against them. Giap's reference to the superiority of people's war over atomic weapons is appropriate. In recent years the Vietnamese have amply proved this in practice. Nuclear blackmail has failed to terrorise the oppressed peoples into submission.

But as the use of naked force and the threatened use of nuclear weapons has not succeeded in holding back the struggle for liberation, the imperialists are relying increasingly on the Soviet revisionists to do this for them.

Modern revisionism is now a thoroughly treacherous and reactionary force in the world, objectively aligned with imperialism against the world revolution. It is still able to exercise considerable influence on the development of revolutionary movements because it continues to speak in the name of a cause it long ago betrayed. 'Aid' given by the revisionists to revolutionary struggles anywhere, is actually intended not as aid to those struggles, but as a means of gaining greater influence in order to dampen them and divert them from their course. If recipients of revisionist 'aid' should fail to recognise this, then they run the risk of being drawn into a swamp of compromises that will ultimately benefit imperialism. The anti-imperialist struggle, if it is

to be consistent, must also involve a struggle against revisionism. Although they try desperately to disguise the fact, the revisionist powers, each in its own way and at its own pace, are drawing closer and closer to imperialism, so that the destinies of the two are becoming linked. The destruction of imperialism on a world scale will also spell the doom of revisionism.

The coming battles throughout the colonial and neo-colonial world will engage the armed forces of US imperialism and its lackeys on the widest front they have ever had to face and their manpower and resources will be stretched to breaking point. No part of that struggle can exist in isolation. Each people, each nation that rises in resistance is part of the world-wide anti-imperialist armed front. The world proletarian revolution is a continuing and irresistible process. The peoples of Asia, Africa and Latin America are today in the vanguard of that struggle. They are the grave-diggers of world imperialism.

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[Comments and criticism on this article would be especially welcome.]

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'MARXISM AS A SCIENCE cannot stand still, it develops and improves. In its development Marxism cannot but be enriched by new experience, new knowledge — consequently some of its formulae and conclusions cannot but change with the passage of time, cannot but be replaced by new formulae and conclusions, corresponding to the new historical tasks. Marxism does not recognise invariable conclusions and formulae, obligatory for all epochs and periods. Marxism is the enemy of all dogmatism.'

Joseph Stalin,
Concerning Marxism in Linguistics,
Moscow 1950.

CHINA NOTES

by Colin Penn

DURING FEBRUARY the whole Chinese press acclaimed the great victories of the Vietnamese people, the Peking **People's Daily** of February 8 setting the tone with an article headlined: 'Vietnamese comrades-in-arms, you fight well! Meetings all over the country hailed the Vietnamese people, promised unlimited support for them, and pointed out that further disasters inevitably await the US aggressors.

Chinese papers also published many statements of support for Vietnam, such as rarely appear in our press, from other countries. Among those mentioned in February are France, Holland, Albania, Algeria, Egypt, Yemen, Somalia, Cameroon, Congo (Brazzaville and Kinshasa), Mali, Tanzania, Guinea, Iraq, Bolivia, Chile, Uruguay, Pakistan, Nepal, Ceylon, Japan, Korea, and Australia.

SOCIALISM OR CAPITALISM IN THE COUNTRYSIDE

AN ARTICLE in the **People's Daily**, written by a group of workers in the Science and Technology Commission for National Defence, shows how some of those now being exposed as 'capitalist-roaders' have consistently opposed the development of socialist farming in China's countryside. The following are some of the points it makes.

These people criticised the formation of people's communes, because, they said, it was premature, the full possibilities of the advanced cooperatives not yet having been used. This was regardless of the fact that they had opposed the cooperatives too and had dissolved 200,000 of them by administrative action in 1955.

It was Chairman Mao who, when the agricultural cooperative movement was at its height, had correctly noted its weaknesses, but pointed the way forward, not back, saying that the cooperatives should not remain too long in the state they were in then.

In 1957 rapid progress was made in the branches of industry serving agriculture, in transport and communications, as well as in commerce, education and militia organisation. The poor and lower middle peasants began to urge the more rational use of labour power and the combination of local government with commune management. All over the country people's communes began to be set up and Chairman Mao, seeing their tremendous potential, praised them and encouraged them to go ahead.

The **People's Daily** article summarises the advantages of the communes thus:

'The advanced cooperative was a small collective, while the commune is a much bigger one which can work more effectively to consolidate and develop the collective economy and prevent polarisation of the peasantry which would again throw the poor and lower-middle peasant masses into misery

'The advanced cooperative only undertook farming, while the commune runs a diversified economy with agriculture as the main task, and can work more effectively for the all-round development of the productive forces.

'Compared with the advanced cooperative, the people's commune can engage in the transformation of nature, farm construction and rational planning on a large scale. It can improve management of farming, forestry, animal husbandry, side-line production and fisheries, set up shops to manufacture and repair items essential for farming and do transportation, organise large-scale cooperation and undertake more efficient scientific research in agronomy.'

Mao's general line for the building of socialism, propounded in 1958 — 'to go all out, aim high and achieve greater, faster, better and more economical results in building socialism' — created mass enthusiasm and the people's commune movement swept the country. As Lenin said:

'At moments of great upsurge and the exertion of all human capacities, revolutions are made by the class-conscious will, passion and imagination of tens of millions, spurred on by a most acute struggle of classes.'

The capitalist-roaders said the communes were premature because of the lack of the mechanisation necessary for large farming units. But among the various factors in the productive forces, the decisive one is man.

'Machinery is made and used by man: it is nothing more than the extension of man's hand; it is only a potential productive force and can be translated into an actual productive force only when it is combined with man.' The belief that mechanisation is everything and socialism cannot be brought about without it 'is typical counter-revolutionary fetishism.' (**People's Daily**, February 10 1968.)

'All revolutions show,' says the article, 'that it is a general law that productive forces can be greatly developed only after the drastic change in the relations of production which follows the seizure of political power. True, a revolution in the relations of production is caused by the development of the productive forces. However, a great development of the productive forces is usually achieved after the change in the relations of production. Though the bourgeois revolution in Britain which broke out in the seventeenth century gave impetus to the further development of capitalist relations of production, it was not until the end of the eighteenth century and the beginning of the nineteenth century that the in-

dustrial revolution occurred. What happened in the Soviet Union followed this pattern. Under the leadership of Stalin, Soviet agriculture in general attained collectivisation between 1930 and 1932, though the acreage of tractor-ploughed land at that time was less than twenty per cent of the land under cultivation.'

The arguments of those who opposed the people's communes are now being thoroughly exposed in the Cultural Revolution and their authors cast aside. The success of the communes has for years been clear to the masses of the Chinese people, as it is now becoming clear in the capitalist world.

CHINESE IN AFRICA

ON FEBRUARY 5 the first mill of the Tanzania 'Friendship' textile, dyeing and printing plant was put into operation. It was built with Chinese assistance and at the opening ceremony the Tanzanian Finance Minister called on the workers to follow the example of the Chinese experts. Tanzania is a cotton-growing country that has had to import cotton cloth, and the new mill will be a step towards self-sufficiency in clothing.

Ten days later First Vice-President Karume of Tanzania opened the Zanzibar State Leather and Shoe Factory, also built with Chinese help. Formerly all leather and shoes were imported.

An agreement has been reached with Congo (Brazzaville) under which China will help with the construction of a shipyard for building small vessels.

In Somalia a Chinese song-and-dance ensemble was well received. A local artist compared it with a circus from the USSR, saying 'Soviet art has long been divorced from the revolutionary line.' Public protests prevented the showing of films brought by the US Consul.

CHAIRMAN MAO TSE-TUNG's statement on April 16, 'In Support of the Afro-American Struggle Against Violent Repression,' explains in clear, straightforward language, the essence of the Marxist-Leninist attitude on this question. As every word is full of meaning the whole statement is given here:

* * *

'Some days ago, Martin Luther King, the Afro-American clergyman, was suddenly assassinated by the US imperialists. Martin Luther King was an exponent of non-violence. Nevertheless, the US imperialists did not on that account show any tolerance towards him, but used counter-revolutionary violence and killed him in cold blood. This has taught the broad masses of the black people in the United States a profound lesson. It has touched off a new storm in their struggle against violent repression sweeping well over a hundred cities in the

United States, a storm such as has never taken place before in the history of that country. It shows that an extremely powerful revolutionary force is latent in the more than twenty million black Americans.

'The storm of Afro-American struggle taking place within the United States is a striking manifestation of the comprehensive political and economic crisis now gripping US imperialism. It is dealing a telling blow to US imperialism, which is beset with difficulties at home and abroad.

'The Afro-American struggle is not only a struggle waged by the exploited and oppressed black people for freedom and emancipation, it is also a new clarion call to all the exploited and oppressed people of the United States to fight against the barbarous rule of the monopoly capitalist class. It is a tremendous aid and inspiration to the struggle of the people throughout the world against US imperialism and to the struggle of the Vietnamese people against US imperialism. On behalf of the Chinese people, I hereby express resolute support for the just struggle of the black people in the United States.

'Racial discrimination in the US is a product of the colonialist and imperialist system. The contradiction between the black masses in the US and US ruling circles is a class contradiction. Only by overthrowing the reactionary rule of the US monopoly capitalist class and destroying the colonialist and imperialist system can the black people in the US win complete emancipation. The black masses and the masses of white working people in the US have common interests and common objectives to struggle for. Therefore, the Afro-American struggle is winning sympathy and support from increasing numbers of white working people and progressives in the US. The struggle of the black people in the US is bound to merge with the American workers' movement and eventually end the criminal rule of the US monopoly capitalist class.

'In 1963, in the "Statement Supporting the Afro-Americans in Their Just Struggle Against Racial Discrimination by US Imperialism" I said that "The evil system of colonialism and imperialism arose and thrived with the enslavement of Negroes and the trade in Negroes, and it will surely come to its end with the complete emancipation of the black people." I still maintain this view.

'At present, the world revolution has entered a great new era. The struggle of the black people in the US for emancipation is a component part of the general struggle of all the people of the world against US imperialism, a component part of the contemporary world revolution. I call on the workers, peasants and revolutionary intellectuals of all countries and all the people who are willing to fight against US imperialism to take action and extend
(Turn to inside back cover)

Report from the Glasgow Communist Movement

This report, covering the period May 1967 to April 1968, from the Glasgow Communist Movement (Marxist-Leninist) gives an example of the kind of activity which is going on in various places up and down the British Isles.

THE BIRTH of the Glasgow Communist Movement, initially known as the Glasgow Marxist Group, was celebrated with the production and distribution on May Day, 1967, of a pamphlet introducing **The Marxist** in Glasgow. It was around the journal that the participants of the first meeting of the group assembled together.

The aim of the group at that time was to provide a collective basis for political activities as a step forward from the individual work previously undertaken. Collective study, sale of **The Marxist**, and help to intensify the contradictions in the revisionist organisations were accepted as our immediate political work. Doubtless our organisation was nearer to a discussion group than to an action group, but considering the objective reality of the time it would have been impossible last May to have worked in any other way. A base was established, creating a rallying point for anti-revisionists in Glasgow. The group had a fairly clear idea of what had to be done.

The organisational frame work consisted of two groups besides our own. One discussion group consisted of YCLers and the other of members of the Communist Party. For some time there was also an industrial group which, due to unavoidable circumstances, could not be continued. In due course it became unnecessary to continue with the satellite groups.

Weaknesses Recognised

When we first came together the principal feature of the GCM was its informality. This was appropriate to the circumstances in the early days. As we progressed this informality became a weakness and we had to make two changes. Our meetings, which had formerly been a mixture of educational discussion and business, were divided into education meetings and business meetings. Secondly, a clear line of distinction had to be drawn between members and non-members.

The summer of 1967 produced problems. Holidays interrupted the working of the discussion groups, and the absence of **The Marxist** coincided

with this to interrupt the continuity of our contacts. These problems had, though, the positive effect of propelling us into factory-gate work. By then the CP leadership were well aware of our existence and had started its smear campaign against us on an individual basis. Public meetings of CP and YCL members which we organised in June with Tom Hill opening discussion on 'Revisionism and Way Ahead' helped considerably to offset the CP's campaign.

During last year we published the following leaflets: Introducing **The Marxist** (May 1967, 500 copies); On Vietnam (June 1967, 500 copies); The Wilson Screw on the Workers (reprint of an article in **The Marxist**, 800 copies); The GCM (M-L) (November 1967, 500 copies); An Open Letter to Scottish Electricians (December 1967, 2,000 copies); Unite to Assist the Vietnamese People (January 1968, 300 copies); Notice of Redundancy (on Clyde shipbuilding mergers) (February 1968, 400 copies); and Crisis on the Clyde (March 1968, 1,500 copies).

In addition to our own publications we have sold between forty and sixty of the following: 'The Marxist'; 'Letters from China'; 'Quotations from Chairman Mao Tse-tung'; Statement of the CCCP of Cuba on 'The New Imperialist Aggression' and a number of other items.

Our second excursion into public work was the June 1967 demonstration on Vietnam. We distributed our leaflet and sold **The Marxist** and the song-sheets of the Folk Singers for Freedom in Vietnam, while the march was assembling and then joined the march individually.

In contrast to this we determined representation on the ad hoc committee for the October 1967 demonstration where, with some small success, we opposed the revisionist pacifist attempts to negate the whole proceedings. On the demonstration itself we participated as a group under our own banner. We were the only people selling Vietnamese literature at the demonstration.

For the March 1968 demonstration we published the leaflet 'Unite To Assist the Vietnamese People' exposing the attempt of the Committee for Peace in Vietnam to prevent any demonstration taking place. This we distributed selectively among the active members of the CP, the YCI and the peace movement.

The CPV then changed its line and called for a silent, sloganless, bannerless demonstration in

mourning for the dead of Vietnam. We joined with our banners and some placards and the result was a demonstration fifty per cent mourning and fifty per cent victory. Again we sold, and were alone in selling, Vietnamese publications.

From the very beginning education had been one of the toughest problems. It is now many years since the CP made any serious attempt at comprehensive Marxist education so that the question of how best to operate Marxist educational discussions had not been tackled in Glasgow until last May.

We have tried several lines of approach to the problem with some success. But as we are coming increasingly into contact with workers at factory gates and with various anti-Marxist political groups in united activities, the need for theory becomes increasingly more important. We are now embarking on a seven week discussion of 'On Contradictions' and 'A Proposal Concerning the General Line of the International Communist Movement.'

The GCM (M-L) had a pre-history of struggle against revisionism and against the revisionist leadership in the YCL. It inherited this struggle from the members who had been conducting it on an individual and branch basis. The GCM later accepted responsibility for continuing the fight.

We had hoped that on the basis of our activity we could become a rallying point for those who dropped out of the YCL, especially after the 1967 Congress. This has not yet taken place. It is apparent that many of the cadres who, disgusted with revisionism, have ceased to be active in the YCL have remained members of the CP and some have adopted the position of economism. Such cadres must not be allowed to become pessimistic and fade out. We shall take steps to counter the effects of revisionism on the morale of those who, in the past, have been politically active.

For the future we shall have to broaden our base among workers and intellectuals; improve our ideological and political understanding; develop more cadres and involve more people in our activities. Provided that a correct analysis is made of the experience we have accumulated over the past year, our prospects for doing this are excellent.

THE MANAGEMENT COMMITTEE welcome comment, criticism and suggestions for future articles. We also welcome letters and communications for publication. Please write to Tom Hill, 11 Barratt Avenue, Wood Green, N22.

Britain after the Budget

(continued from page 14)

themselves from this weakness. The inter-imperialist contradictions will intensify. A change in US policy over Vietnam intended to save the dollar is no guarantee that the dollar will be saved.

The Washington and Stockholm meetings show that the capitalists do feel a common interest in avoiding, if they can, an uncontrolled collapse of the present international monetary arrangements. But that is not the same as having a common interest in continuing present arrangements, which suit the Americans and, to some degree, the British. Big changes, to reduce the domination of the Americans, are what their rivals mean to have. How and when the changes should be made are tactical questions which are considered with some regard to the pressures against imperialism exerted by the socialist and national-liberation movements. But the uneven development of imperialism which reflects an inherent law, makes inevitable the intensifying inter-imperialist contradictions.

This sharpening international struggle will play havoc with the Labour Government's optimistic calculations about economic advance for Britain if only the workers will cheerfully tighten their belts for a couple of years.

The detailed shape of future events can never be exactly foreseen. But Marxists can be sure that we are entering a stage of struggle when the forces of the imperialists will weaken and divide against each other, and the forces against imperialism will multiply and strengthen.

The Budget has shown many British workers how wide is the gap between their concept of Labour as a party for the working man and the realities of Labour Government. This basic class reaction constitutes the foundation for a new development of struggle in Britain.

CHINA NOTES

(Continued from Page 23)

strong support to the struggle of the black people in the United States! People of the whole world, unite still more closely and launch a sustained and vigorous offensive against our common enemy, US imperialism and its accomplices! It can be said with certainty that the complete collapse of colonialism, imperialism and all systems of exploitation, and the complete emancipation of all the oppressed peoples and nations of the world are not far off.'

* * *

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