

MONTHLY JOURNAL OF LABOUR OPINION

PLEBS

FEBRUARY 1968

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**In
defence
of
Harold
Wilson**

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reasons with those who get exasperated at the delay in introducing socialism overnight and with those who want to put it off for ever. Read 'Plebs' and pass it on. (If you take a small bundle order monthly you get a discount).

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NCLC Publishing Society, 11 Dartmouth Street, London SW1: WH1 3077. Editorial committee: John Hughes (Chairman), Colin Beever, Michael Barratt Brown, Harold Campbell, Jim Daly, Bernard Dix, Geoffrey Goodman, Peter Hall, Brian Lapping, Frank Moxley, John A. Torode, Dick Leonard, Phillip Whitehead, Tom Ponsonby (Secretary), Frank Ward (Editor). Printed by Alloa Printing and Publishing Co., Ltd. (TU). Advertising enquiries to Mick Cornish at "PLEBS" office. Annual subscription 12s 6d (us \$1.50). Vol. 60 No. 2 February, 1968

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To the Left:

Pride goeth before destruction, and a haughty spirit before a fall.

Proverbs 16. 18.

To the Right:

Even a fool, when he holdeth his peace, is wise.

Proverbs 17. 28.

IN DEFENCE OF HAROLD WILSON

F. Ward

Here, and in next month's issue of 'Plebs' we hope to concentrate on the broader perspectives against which we should view our present difficulties. Print deadlines have made it impossible to include more in this issue.

Today the British Labour movement feels itself to be in a great and inglorious muddle.

The immediate question — but the wrong question—which most socialists have asked themselves is the apparently simple one "Can we still strongly support this Government and its present policies?" And because they find

it almost impossible to arrive at a clear answer, the result is an unhappy "We suppose so" and a lack of the fire and enthusiasm that is needed to face the present groundswell of hostility to Labour amongst many sections of the population.

No government is sacred just because it carries the Labour banner. But it is

Exports

OUR FUTURE IN THEIR HANDS

British companies have been losing ground in selling plant and machinery to the Caribbean countries, chiefly because they are not prepared to put out the effort needed to win business.

Times Business News.

vitaly important that if it is to be criticised that it should be criticised fairly. How does one judge, for example, the present complex set of cuts? Is there a "socialist policy" against which the cuts can be judged? What, in fact, is meant by a socialist policy?

The best, the purest, policy is undoubtedly Socialism with full common ownership tomorrow, or next Monday at the latest.

But merely to put the question in this fashion shows how ridiculous it is to use such simple judgments.

Socialism, if it means anything of value to society is about the practical possibilities that exist in the complicated struggle to change an entrenched and lethargic society.

A "socialist" policy has to be a practical policy. But how to be "practical" is certainly not simple to define. There are nevertheless at least four main conditions that have to be met.

1. It has to deal with the immediate problems
2. It has to lead to more public control and common ownership, or, at the minimum, leave the path open for later steps in this direction

3. It has to be clearly supported by all major sections of the active Labour movement
4. It has to be generally acceptable (or rather it has to be presented along with explanations which make it acceptable) to most of the electorate for most of the time. This majority may, of course, fluctuate considerably.

This article is mainly concerned with the third point. Labour's election programme was a compromise. The right wing of the Labour Party accepted it as going as far as they were prepared to move, while the Left accepted it as the minimum programme that could win their enthusiasm.

Our present crisis has arisen because this compromise election programme (and particularly the methods whereby it was hoped to achieve it) was *not* practical. It has been found to be painfully inadequate. The problems of the economy are far greater than had been realised. What we have to discuss with hard headed realism is what new compromise is possible and practical in a labour movement that has changed considerably since 1964.

will the cuts be enough?

If any judgment is to be made on this point, it is that the sums to be saved are *not* enough. True, there is more to come yet in the budget, but these will have to be really swingeing or be followed by yet further defence cuts to give us the margin that may be needed.

The present cuts will only be enough if a fair number of factors at home and abroad continue to go well for us. A serious contraction in the American economy, a worsening relationship with South Africa, political upsets in oil producing areas, an inability to hold in total purchasing power as local bargaining and wage drift take effective control out of the hands of the TUC and government; these and other lesser factors which may well come

DO YOU REMEMBER THE TORIES?

The "Sunday Times" has been serialising extracts from a new book *The Property Boom* by Oliver Marriott. In this a list is given of 110 people who have become millionaires since the war by dealing in land, homes, flats and offices during what is described as "one of the most profitable booms ever known."

"The developer is a pure entrepreneur. The only equipment he needs is a telephone, and there were powerful developers who operated from their study at home or from a one-roomed office with a secretary. From there they wielded the talents of various professions: estate agents, solicitors, bankers, architects, quantity surveyors, consulting engineers, building contractors, accountants. The end result was a building." Since all the money to buy the site was usually lent by the bank, and the cost of construction carried by the contractor, the total repaid from a long term mortgage borrowed from an insurance company the developer seldom had to find any money at all, once his credit was established.

An example of how profit can be made is shown by the way in which a bomb-site in Grafton Street, Piccadilly was developed. The site was bought for £59,000, planning permission obtained for 40,000 square feet of offices. "Construction, including all fees cost some £250,000 giving a total outlay of £310,000. The offices were let at 30s a square foot so that the building disgorged an annual income of £55,000 after deducting the ground rent of £5,000. That building was then worth £840,000, since an investor would have been willing to buy it to give a yield of 6½ per cent. The difference between the total cost and the value was profit, in this case £530,000." This profit was shared by the joint owners of the project, a solicitor named M. Spiro and Harry Hyams. Hyams' personal fortune is estimated today at £27 million, most of it gathered in the last eight years. His most spectacular coup has been a 32 storey skyscraper called Centre Point at St. Giles Circus in London which the book expects "will probably be in absolute terms the most profitable single building ever promoted in this country." The annual rent is estimated to be not less than "£1,160,000 a year giving a value to Centre Point or around £16.7 million and a profit of £11.7 million on a single building."

The vast profits made came as a result of the 1953 Town and Country Planning Act which abolished the development charge—introduced in parliament by Harold Macmillan with these words "the people who the Government must help are those who do things; the developers, the people who create wealth . . ." and of the lifting of building controls in 1954.

The book comments "Since the war Britain is the only country in the world to have had a property boom channelling wealth into the hands of individuals on such a large scale. This was partly a reflection of a unique system of taxation, which in retrospect seems, absurdly favourable to the developers . . . Property was a paradise for tax-free profit."

grouped together instead of singly, could raise formidable problems for the economy. We have little room for manoeuvre if things go wrong.

But surely Britain has very considerable resources? She owns (or her richer nationals do) capital assets at home and abroad on a vast scale. This undoubted fact would ensure security for Britain's economy—if we lived in a rationally planned world, or at least a world where a large proportion of national state were run by fairly socialist governments. The truth, unfortunately, is that, for the present, we live in a competitive jungle where each nation is condemned to a never ending attempt to oust their neighbour from markets. If any nation falls behind in this rat race it suffers more proportionately than any actual narrow margin in its balance of payments would justify. Ask any small businessman what happens when he starts to show a regular even if small loss? His capital, like his credit, is soon in jeopardy.

Britain stands the risk of joining the ranks of the world's small failed trading nations. For a trading nation without the natural timber assets of Sweden, the large agriculture of France, the overland connections of Germany with the European market, or the long period of gradual adjustments made by other nations, such a failure can mean a prolonged full stop to advances in British living standards, and possibly an actual decline.

In three short years Britain has to win back to a competitive position—and earn a further surplus to meet the massive repayments falling due. If luck goes against us, Labour may be discussing in the near future what further cuts should be made. If it is true that socialists have great difficulty in accepting the present position how much greater will the problems be that would then have to be faced.

It becomes imperative that we know

how and why the Labour Government has arrived at its present position.

Why defence cuts only after three years?

Why weren't the defence cuts made three years ago? It is undeniable that many of the other cuts would never have become necessary if this had been done earlier. Was it really Wilson's desire to shine with L. B.J.? Was it just blindness? Or stupidity? Again a satisfactory explanation is only possible on the basis of this same point that has been already developed, that "practical politics" involves the agreement of the bulk of leading figures in the labour movement particularly in Parliament.

From whichever angle one approaches

At Home

OUR FUTURE IN THEIR HANDS

Two weeks ago, immediately after devaluation, we estimated that overall increase in costs as a direct result should not exceed five per cent. We have heard nothing since that makes us change that view.

Life in the furniture industry is going to be tough enough in the next year and if there was a widespread 10 per cent rise in furniture prices in January, it would be even tougher.

We have heard tell of a manufacturer who put the price of a suite up by £37 the day after devaluation because it had an imported cover.

This is not only grossly inflationary, it's barmy trading.

Furnishing World Editorial

the problem, it just was not practical politics for the Wilson Government to introduce these cuts even after it had gained its present clear majority. The reasons why it was impossible, had little to do with external politics (except for the Indonesian confrontation), as today's decisions show very clearly, but they had a great deal to do with the internal balance inside the Labour Government. Quite simply many key figures on the right, inside the Government and Labour movement were, at that time, so strongly against the cuts (that they are now accepting) that they would have had no hesitation in resigning. Even if the government had not fallen, the movement would have been irrevocably split. Given time—and for a high price economically—this has been avoided.

The truth is that when men on the right or on the left, feel strongly enough they are only too apt to risk splitting the party. The only difference between right wing labour and left wing Labour in this respect, is that the right are so self righteous that they genuinely think of themselves as the patriots and bearers of sanity and have no inhibitions about calling all others disloyal, while the left is usually so full of moral superiority and mutual self-admiration that they hardly notice what others think about them.

The Left have hardly noticed how much they have won

Looking back it is remarkable how, on defence, policies advocated mainly by the left have eventually been adopted without any serious split on the right. Would this really have happened under any other contender for the Labour Party leadership?

Alongside a steady build-up of large numbers of essential economic controls and social justice measures, hard practical experience has done more to weaken the will of the old right wing than all the combined tantrums of some left Labour MP's. Two central



Sorry to take these but we've got to make devaluation work.

ideas have been steadily eroded by time and the harsh facts of economic life. Both were ideological rocks of the right wing of the Labour Party.

The two basic fallacies were:

(a) That it only required more intelligent leaders (i.e. right wing labour ones) than the Tories could supply, rather more interventionist fiscal policies, more cultured and humanitarian reforms affecting the individual—and the present mixed economy would function perfectly adequately. Change could be achieved painlessly without upsetting any class in society.

(b) That foreign policy should continue to be based on two traditional points. On looking after individually owned British investment interests abroad. And on the proposition that social change abroad was not to be encouraged unduly since such changes could upset the precarious world power balance. If necessary one might

WHY NO HOME ADVERTISING RESTRICTIONS?

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reluctantly even oppose change. The status quo being a situation basically overfavourable to Britain in relation to her real strength, then a British Government must tend to seek as allies those who are most concerned for their own reasons to prevent political change.

Reluctantly, confusedly, these attitudes are dying. Only perhaps the British Conservative Party can still mumble these old phrases through the mouth of a middle-class nonentity. Certainly one by one, there has been a capitulation of previously hostile Labour Ministers in favour of cuts in military expenditure.

If we are realistic—and heaven help us if we are not—the policies and ideas that have to date formed Labour's programmes have been adopted only partly because of the needs set by Britain's problems. They have also been the resultant of a three way pull by the right, left and centre of the Parliamentary Labour Party. These three forces, themselves often changing, have called in as evidence of support for their respective policies, the strength of their ideas as shown in Conference voting, the shifts in union leadership, the pressures from the press, election defeats and victories, the rise and fall of reputations and the mood of the rank and file.

Estimates of the relative strengths of the different tendencies can often be coloured by one's viewpoint but certain changes can be quite firmly established.

It must be said quite frankly that the election of Harold Wilson to the leadership of the Parliamentary Labour Party was a result that was not in accord with the general right wing predominance inside the Parliamentary Labour Party. One has to remember that the extremely right wing "Campaign for Democratic Socialism" had been fairly effective in winning nominations in by-elections and in hardening out anti-left-wing opinion. In fact, aside from Wilson's own personal abilities, the major factor ensuring his election was the fact that the nominee of the right in the person of George Brown was not acceptable to a fair number of the right and centre. Had the right been in a position to propose someone else or had Brown stood down for Callaghan then it is extremely doubtful if Wilson would be Prime Minister today.

But what was regarded by the core of Labour's parliamentary right wing, at least in private discussions, as a misfortune was to be compensated for in their eyes by a deliberate claim for a high proportion of Cabinet posts when Labour formed a government. Given the fact that the tide against the traditional right in the unions had only just started, Wilson was probably justified in conceding most of what they claimed.

However, it is by no means certain today in 1968, that the same balance still holds. The shifts in the unions, the unease amongst the MP's of the centre, the votes at the TUC and Conference, the decline in general standing of George Brown, the massed shake up of Councillors in the local government defeats (previously these were amongst the groups most usually in support of the right wing at grass roots level), the undoubted dissatisfaction at constituency level—each factor may be glossed over when considered individually but together they add up to a significant shift in mood.

It is true that the loudest public criticisms of Harold Wilson have come

from the Parliamentary left—who can usually be relied upon to misdirect their often perfectly valid criticisms—but what has been noticeable about the old time right has been the almost deafening silence with which they have defended Wilson against his critics. As Sherlock Holmes remarked to Dr Watson about the dog that didn't bark in the night "That was the curious incident."

Most Labour Party members who have been in the Party any length of time will remember vividly how critics of previous Labour Premiers and leaders were lambasted with vitriolic accusations of disloyalty, and by threats of expulsion—accompanied by massed personal declarations as to the speakers own undying loyalty and absolute appreciation of the then leader's magnificent qualities of leadership.

Strange! Oh, so strange! There has been no comparable hullabaloo when Wilson has been under attack. Certainly there have been a few rebukes for critics, but it is entertaining to compare "Socialist Commentary" when Gaitskill was under attack, and "Socialist Commentary" over the last few years—to say nothing of the ex-Cam-

paign for Democratic Socialism MP's whose present day inactivity on the issue of loyalty is truly remarkable.

"One needst not strive officiously to keep alive . . ." a leadership with which they are out of sympathy, is a perfectly fair description of the attitude of some of the old right wing.

The role of Harold Wilson

On the evidence of his own history Wilson has accepted that the left of the party are fully entitled to maintain the pressure for change and to alter the balance of ideas within the movement. It is forgotten far too easily, how great was the improvement, for which Wilson can claim full responsibility, in the atmosphere under which critics from the left were able to operate after his accession as leader. If we ignore the incipient persecution mania which causes some left wingers to see injustice where there is often only bumbledom, and which was undoubtedly formed during the period of abuse and intolerance to which critics were subjected during the Williamson, Deakin, Gaitskill period, there has been no serious infringement on the right of critics to influence the party. And this freedom has been

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maintained for those who have often been their own side's worst enemies, who regularly mistake their own personal emotions for the mood of the party members they wish to influence.

Two other points may be made with reasonable certainty about Harold Wilson and his aims and attitudes.

There can be little doubt that Wilson believed that basic to his main task on being elected leader was the diverting of the Labour movement away from the devastating aftermath of the muddle left by Gaitskell in his attempts to revise the Party attitude on common ownership. The Party's energies had to be totally reorientate towards a concern with planning and the impact of science on modern society. In this he was amazingly successful. For the first time for years it became possible for people to change attitudes without feeling they were "betraying" their own grouping. This change in the general atmosphere, although less marked in the Parliamentary field, has nevertheless been an enormous help in bringing about shifts in opinion.

This article contains no disclosure of inner Cabinet secrets. From his many references to Clement Attlee it can reasonably be assumed that Wilson accepts Attlee's theory about leading the party from left of centre. It must be noted that Attlee's theory is not as simple as is usually assumed. Attlee was not concerned with any theoretical policy position labelled "Left of Centre." Attlee used the term in the sense that he strove to estimate the real balance of forces in the movement and then pressed steadily for a compromise slightly to the left of that point.

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But in or out of Government, the task of the leader of a party of broad coalition, *which is basically what the British Labour Party is*, is to lead from just left of its centre, not from the outside left. The choice of whether to take on such a task with its limitations on the individual's freedom of expression is a matter for the individual and his own assessment of his abilities in steering in a forward direction a team representing many widely divergent pressures. There will obviously be very marked differences in people's estimates of the success of Harold Wilson in effecting changes. Was he steering or was he also pushed along by circumstances?

The evidence one way or the other is largely circumstantial and subject to a complicated assessment of Harold Wilson's background. There is little chance of an admission one way or the other from the Prime Minister himself!

In any likely Labour administration with its inescapable but variable coalition of right wing Labour, centre Labour and left wing Labour, no Prime Minister, can be expected to declare publicly that he personally wishes that his government would do this or that, but that he regrets that Minister X or Minister Y has enough strength to stop him unless he wants to risk a split. And that under these circumstances the Prime Minister regrets that the policy of his government will be other than he wishes.

What is probably basically true about the Prime Minister and his approach to politics is not that he pursues this type of double-think such as might be implied by the previous paragraph. What it is reasonable to deduce from his own speeches and articles is that we have a Prime Minister who actually does think pragmatically and who believes fervently that politics are the art of the possible. Policies which are not possible or practical in the special sense in which we have discussed them in this article are probably basi-

cally regarded as a waste of time. And, of course, in a certain limited sense, he is correct.

Granted the consensus in his coalition cabinet, made up of people, many of whose minds had been formed over many years (and who are not known to be over responsive to change except under conditions of harshest possible experience) what policies would the critics judge to have been possible for Wilson without provoking catastrophic splits and resignations?

Perhaps the centre point of the Labour Movement is more to the left today than Wilson estimates and the government should today be even more drastic in its moves towards public control and ownership? Perhaps. *That is the sort of point upon*

which today's discussion in the Labour Party should concentrate: not on impossible definitions of a "socialist" policy, but on the maximum programme which the movement can stand without splintering. On those who want the government to press far further ahead, lies the responsibility for changing still more members' attitudes and, if necessary, but without rancour, replacing people.

MPS choose whatever role they wish to undertake. They may join up with pressure groups on the right or left or take positions in Government if offered, or any other task for which they feel politically inclined.

There is a theory, held particularly strongly by many critics on the Left, that Left inclined Ministers become

OUR FUTURE IN THEIR HANDS

HOW TO FACE COMPETITION FEARLESSLY

The Board of Trade said last night it was satisfied that Italian refrigerators were not not being imported at dumped prices before devaluation.

The refrigerator men appealed to the Board of Trade in September for anti-dumping duties to check the growing flood of Italian imports—particularly from 'outsiders' like Indesit whose fridges, selling at £10 below the equivalent British models, have mopped up over 5 per cent of the market. The bulk of Italian imports, however, is sold under Hoover and Phillips labels at the same prices as home-produced models.

Confirmation of the growth of the Italian refrigerator industry came from Rome recently with the announcement that production last year was 20 per cent up on 1966 at 3,300,000 units—of which no less than 2m. were exported. Output was concentrated among six major producers. British output in 1967 is expected to total 850,000 units with exports accounting for some 130,000, divided among ten producers.

There can be no doubt that rejection of the dumping charges is a triumph for the Italians, who have always argued that their low prices stem mainly from the economies of large-scale production.

Times Business News

prisoners of the Right Wing, but the Left Wing ministers in private argue irritably that they are holding outposts while the Left outside the Cabinet and Government are bloody slow in bringing up reinforcements! A certain left wing minister has been known to suggest very forcibly indeed that instead of agonising about walking through one particular lobby door or another in the House ("Parliamentary cretinism" he reminded his critics was what this sort of discussion used to be called) all Left wingers free to do so, would be better employed stumping the constituencies, or better still understudying some of the markedly Right Wing Ministers so that the Left would be able to propose them as credible alternatives.

There is a myth in the Labour Movement that in the good old days every issue was clear-cut and simple. Nostalgia colours the past and memory selects the few short intervals such as the Hunger Marches and Spain when the issues appeared gloriously simple. Certainly in the case of Spain we now know how complicated it really was. Those who yearn today for a clear uncomplicated struggle towards socialism will continue to be disappointed and will miss the real excitement of tackling whatever challenge is thrown up by a world changing at a rate which is compressing centuries of development into decades.

Footnotes

Some readers may have noticed that the main body of the article failed to deal with the fourth condition that it was argued was required to build a "practical" policy for socialists—the need to carry the electorate with us. Government policies, of themselves, if they are to meet the first three conditions, to deal with immediate problems, to increase social control, and to hold the movement together, may in fact make it temporarily more difficult to hold the electorate's support. This is particularly true as the press pressures build up, and as so many

of the intellectuals scurry for cover as their lords and masters in the TV and Press world wag their fingers. Educating and persuading the electorate is *the* problem which socialists face over the next three years. Every single strand in this communications problem lands one back at Transport House and the political functioning of the Labour Party. It will be difficult, but certainly not impossible to create a far more independent research and publicity machine devoting its main activity to criticisms of the Conservatives and private enterprise, and not as at present into a dot and comma defence of every single aspect of Government policy.

We need an aggressive Labour Party machine not an Establishment Defence League. And we need it urgently.

EMPLOYERS WITH CLOSED MINDS

The Building Employers' Journal, 'The National Builder,' gave details of the Cameron Report on the London building disputes at the Barbican and at Horseferry Road.

They suppressed all of the following quotation referring to Messrs Bernard Sunley and Sons Ltd.

"In our opinion the immediate responsibility for the total stoppage at Horseferry Road lies squarely on the shoulders of the directors of the company who deliberately created a situation designed to produce a strike and dismissed the works committee on a ground which in our judgment was both contrived and flimsy—whatever may have been other grounds upon which the committee had been previously open to dismissal."

THE CORRUPTING OF VIETNAM

James Everton

Beyond all the arguments about many aspects of Vietnam, the legal rights and wrongs of the Geneva agreement, the degree of infiltration from the North, the lack of political freedoms on both sides, the justification or otherwise of American intervention — there looms the tragedy of a country devastated militarily and corrupted morally.

The evidence continues to accumulate that the vast outpouring of American arms, wealth and lives is proving of little avail. Every small military advantage threatens to be overcome by the mounting corruption and decline of fighting spirit in South Vietnam. Unbridled American private enterprise ideology poured into Vietnam together with a cascade of consumer goods has lead inescapably to the selection of favoured local Vietnam politicians in accordance with their acceptance or otherwise of 'enrich yourselves' attitudes.

Vivid evidence of the utter corruption and lowering of military morale in the South Vietnam (Arvin) Army, that has accompanied the expansion of American intervention is given by David Halberstam. He reports his utter despair at what, as an American war correspondent, he found on his return to Vietnam after a lapse of four years.

worsening situation

Halberstam on his previous visit in 1962 had been in favour of American intervention. In fact, he still believes that Hanoi is just as decisively in charge of the insurrection now, as in 1957. Today, however, he no longer believes that America's vast might can secure a permanent victory. Not because of particular military difficulties but because the pro-American South Vietnam government is losing what Halberstam calls "The other war", the

battle for the minds and loyalty of the population.

Corruption, always present, has become an entire way of life for South Vietnam. His overwhelming impression is that:

"The Society is rotten, tired and numb. It no longer cares. Twenty-one years of the war, of first the French and then Diem, have weakened the



"And as our major counter-concession to Hanoi drop elastoplast with the Napalm bombs."

Vietnamese deeply. The sons are more corrupt than the fathers. The few patriots increasingly withdraw from the society and the struggle."

The Americans have depended upon and utilised the corrupt ones and elevated them to positions of power until the war effort itself is being undermined.

"We have created a new class here, at a time when men are supposed to go out and die for their country. We are rewarding all the wrong values, the grafters, the black marketeers, the 20 per centers. There are some in the American Mission who believe that worrying about Asian corruption is naive, that it is traditional, but I do not think this is true. One of the rea-

sons for the success of the other side has been its relative lack of corruption. The corruption here has long since passed the marginal phrase and now dominates and indeed paralyses the society. Unless it is checked and checked quickly and ruthlessly it is impossible to win this war."

from top to bottom

The corruption reaches from top to bottom. The wife of the Army Chief of Staff talks openly about her graft in land deals and beer rights. What is shattering to the more naive Americans are the politicians' absolute indifference to public reactions. America's mixture of complicity and impotence is shown by the fact that the American Mission's Committee on Corruption has met only a few times altogether and not once in the last six months. And this when graft and swindling are reported by every honest official to be creating dangers to United States troops dependent as they are upon civilian labour and support.

Down at the base of the society, Halberstam reports that it costs a 5,000 piastres bribe to get a driving licence and a bribe equivalent to six months' pay was needed for a passport—to enable Arvin veterans to go to America on free scholarships provided by America! Police jobs are up for sale, providing the rights to shakedowns on checkpoints, bars and brothels. School teachers sell examination results "Each day in the Vietnamese Government and the Vietnamese Army it is a little more likely that if a position is any good it must be bought."

Summing up what this nightmare war has achieved after all the blood, all the napalm and all the pious phrases have been spilled, David Halberstam concludes:

inevitable

"I do not think our Vietnamese can win their half of the war, nor do I think we can win it for them. I think finally we will end up lowering our

LABOUR'S UNEXPECTED

ALLIES

What highlighted the problem for us was a prospective buyer who told us plainly that if he could buy his council house then he wouldn't be interested in the houses we were offering.

But what makes Mr Denton think the building industry "in the main" supports the sale of council houses?

We haven't come across this, but we do know that in an area where the local authority is selling off its houses, the sale of new houses has almost stopped. We complain about direct labour departments competing unfairly against builders so surely we should complain about council houses being sold off on the cheap. One answer to this problem could be to compel local authorities to sell their houses at the correct market value.

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sights, encouraging our Vietnamese to talk to their Vietnamese hoping somehow they can settle what we cannot. That is what this country longs for right now and it may be that even if we stay here another five years, it is all we will end up with anyway."

It seems incredible that the bleak picture recorded here is not known to our foreign office and the government. Every member of the Labour movement who is anxious to finally force through a new policy on Vietnam should obtain a copy of this Report. Write to Back Numbers Dept., "Sunday Times," 200 Greys Inn Rd., London W.C.1, for a back copy of its "Weekly Review" for the 14th January, enclosing remittance.

ABILITY COUNTS

The manager had spent the morning interviewing candidates to fill a top vacancy in the firm. Already he had rejected 12 but was quite impressed with the thirteenth.

"You seem intelligent," he said. "You come from a good family, the job is yours."

The young man smiled and stepped forward to shake hands. "Thanks, dad," he said.

*from the Australian
'Building Workers' Journal.'*

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TRADE UNION FACTS

70,000 members were lost in 1966. British Trade Unionists numbered 10,111,000 at the beginning of 1967.

The 18 unions with over 100,000 members, account for over two thirds of the total.

305 unions with less than 1,000 members only possess 1 per cent.

9 unions merged bringing the new total to 574.

Of 22,211 factories employing more than 50 workers only one third have committees dealing with safety matters. In clothing factories only one in seven, in engineering and electrical goods factories just less than half.

Funds of unions went up to £122 million, a rise of £4½ million.

Members paying political funds went down by 192,000 to 6,423,000.

IN AMERICA

Membership of the AFL-CIO union affiliations has risen by 1½ million to 14,284,183 over the last three years.

BRITAIN'S

Only in very recent years have attempts been made to draw together the balance sheets of various sections of the economy into a national balance sheet. In the spring 1966 edition of the periodical "Moorgate and Wall Street", Mr Jack Revell of the Department of Applied Economics at Cambridge included such a balance sheet in an article entitled "The Wealth of the Nation" shown below. The Balance Sheet shows that at the end of 1961 Britain's total physical assets at home were £84,299m.

The figures also show very clearly the decisive importance which the major financial institutions — Insurance Companies, Pension Funds and Building Societies — hold in the pattern of ownership and control in the U.K. economy.

The latest figures show that 60 per cent of the population owns virtually no wealth at all, while of the remainder 7.1 per cent of the wealth belongs to those

Provisional balance sheet of the United Kingdom, 31 December 1961

	Persons	Non-profit	Banks	Savings banks	Insurance	Pension funds	Building societies	Investment trusts	Other finance	Non-financial companies
A. PHYSICAL ASSETS IN U.K.										
1. Land	2289	—	—	—	—	—	—	—	—	—
2. Dwellings	16596	72	—	—	—	—	—	—	401	946
3. Other land and buildings	1220	912	278	8	777	92	66	14	813	9121
4. Plant and equipment	1700	50	—	—	—	—	—	—	102	10809
5. Consumer durables	3952	—	—	—	—	—	—	—	—	—
6. Stocks	2203	15	—	—	—	—	—	—	8	5749
Total physical assets in U.K.	27960	1049	278	8	777	92	66	14	1324	26625
B. PHYSICAL ASSETS OVERSEAS	100	32	139	—	56	—	—	5	166	6792
C. FINANCIAL ASSETS										
1. Cash	5821	129	2038	22	219	46	75	19	64	1437
2. Deposits	6713	48	1235	—	28	—	—	5	9	308
3. Bills	—	6	2534	—	1	2	4	2	2	165
4. Unquoted U.K. government	4169	37	—	—	1	—	16	—	1	321
5. Quoted U.K. government	2662	550	2162	149	1390	775	217	30	29	434
6. Quoted U.K. local authority	289	75	42	38	61	114	8	—	—	22
7. Unquoted U.K. local authority	644	175	214	324	238	99	194	20	15	427
8. U.K. debentures	189	59	—	—	781	343	—	15	85	30
9. U.K. preference	923	20	—	—	242	79	—	77	20	45
10. Quoted U.K. ordinary	13970	642	67	—	2184	1457	—	1562	99	791
11. Unquoted U.K. ordinary	4282	25	51	—	33	2	—	45	28	827
12. Overseas government	281	46	243	11	657	76	3	4	1	35
13. Overseas company	1150	32	38	—	1044	20	—	730	111	687
14. Bank advances	—	—	5299	—	—	—	—	—	—	—
15. Instalment credit	—	—	—	—	—	—	—	—	894	156
16. House mortgages	600	39	236	6	662	8	2840	—	—	9
17. Long-term loans	336	80	601	2708	537	564	41	—	171	267
18. Debtors	3663	70	—	8	563	41	9	12	100	6070
19. Life policies	13535	—	—	—	—	10	—	—	4	23
Total financial assets	59227	2033	14760	3266	8641	3636	3407	2521	1633	12054
D. LIABILITIES										
1. Physical assets overseas	—	—	—	—	—	—	—	—	—	—
2. Cash	—	—	12315	—	—	—	—	—	—	—
3. Bills and deposits	—	53	1153	3254	—	—	3156	—	379	835
4. Bonds	—	—	—	—	—	—	—	154	337	1276
5. Loans	7296	94	—	1	—	—	92	3	524	2335
6. Creditors	1819	76	16	—	1896	31	45	19	151	6160
7. Life funds	—	66	—	10	6000	3497	—	—	—	39
Total liabilities	9115	289	13484	3265	7896	3528	3293	176	1391	10615
E. NET WORTH (A + B + C - D)	78172	2825	1693	9	1578	200	180	2364	1732	34826
F. SHARE CAPITAL	—	12	1226	—	2552	—	—	2265	1579	20485
G. BALANCE (E - F)	78172	2813	467	9	—974	200	180	99	153	14341

WEALTH

with fortunes of over £200,000, and 15.7 per cent to those with between £50,000 and £200,000.

It is interesting to compare British national wealth with America's, as both countries are highly developed economies with very sophisticated financial systems.

For the United Kingdom the national wealth worked out at £1,322 per head of population in 1958.

The comparable figure for 1958 America was \$9,544; at the new exchange rate of \$2.40 to the £ this gives the U.S.A. with £3,977 of the wealth per head, more than three times the U.K. amount.

from Economic Brief

EQUALITY OF SACRIFICE?

Henry Collins

Figures given to the House of Commons show that taxes and social security contributions amount to 34.1 per cent of the gross national product in the United Kingdom compared with 39.6 per cent for West Germany and 45.5 per cent for France.

Since these two countries have a much higher growth rate than we do, it is hard to believe that the burden of taxes is really "stifling initiative" or "killing the goose that lays the golden eggs." On the contrary it seems likely that the golden egg yield could be stepped up without much risk to the life of the bird. Moreover, a table in the Sunday Times of July 23, showed Britain well behind France, West Ger-

Central government	Local authorities	External	TOTAL	
£ million				A
91	—	—	2180	
184	6964	24	25492	
1532	4722	807	21566	
1200	700	791	19552	
—	—	—	3952	
363	59	508	9357	
3370	12445	2130	84299	
—	—	—	7364	B
1317	164	4482	15851	C
—	—	301	8647	
—	8	1296	4120	
—	—	29	4574	
—	60	1954	10513	
—	7	14	671	
—	94	332	2797	
—	3	52	1603	
—	—	24	1432	
216	8	809	21814	
—	4	102	5432	
—	—	4	1361	
415	—	125	4385	
—	—	1138	6437	
—	—	—	1146	
—	447	—	4850	
10752	48	2988	19284	
2404	784	2302	16136	
—	—	469	14041	
15110	1227	16517	145094	
—	—	7364	7364	D
2622	—	3272	18269	
8040	—	501	17371	
10869	3517	5715	21874	
6140	3563	3793	30339	
635	290	1978	13731	
4035	—	238	14031	
32341	7370	22861	122919	
—13861	6702	-4214	113838	E
—	—	296	28415	F
-13861	6302	-4510	85423	G

The Restrictive Society

JOHN LINCOLN

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ALLEN & UNWIN

many, Italy, Sweden and the United States in welfare spending, whether measured per head of population or as a percentage of the gross national product.

There seems therefore, to be plenty of room to raise more money from taxes and a strong case for spending much of it on the social services. In a country where 1 per cent of the population owns 42 per cent of all personal wealth, 5 per cent own 79 per cent, while the top 10 per cent own 83 per cent taxes on property could be raised without putting the rich on the bread-line. A wealth tax of 1 per cent on fortunes starting at £10,000 would yield at least £265 million a year and affect less than 7 per cent of the population. (*Report of Commissioners of Inland Revenue, 1966, Table 166*). As a property tax, the wealth tax would, of course, have no adverse effect on incentives or productivity.

The same considerations apply to death duty which is, at present, largely voluntary. In 1965-6 the yield was £293 million — presumably from those who did not trust their heirs enough to part with the money five years before death, or, perhaps from some who meant to but miscalculated. The yield from death duties has actually fallen by £20 million in the last two years. A gifts tax, levied at a reasonable rate, could hardly fail to bring in further scores of millions a year. Neither death duties nor a gifts tax would, of course, have the least disincentive effect on effort or productivity.

Finally, there is, about the yield on surtax, an element of grisly farce. Between 1960-61 and 1964-65 — a period in which total personal incomes rose by 30 per cent, the revenue from surtax fell from £239 to £220 million. A restoration of surtax to the pre-Selwyn Lloyd level of 1960 would now bring in, at a cautious estimate, an extra £100 million.

The total revenue which could be raised by the methods discussed here would exceed £400 millions a year.

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While the Daily Telegraph would probably scream blue murder, we should be able to afford a considerable expansion of the social services without extra charge. In this connection it may be worth reminding ourselves that for a good many years now Sweden has had taxes on wealth, gifts and capital gains. The incidence of taxation there is 44.2 per cent of the gross national product, compared with 34.1 per cent here. It is hard to see why some Labour Ministers think we are too heavily taxed or that we spend too much on the public sector.

WEST GERMAN SOCIALISM

David Bunch

In this era of compromise politics, socialists can gain much by looking at the recent history of the German Social Democrats, one of the first parties to adopt a 'revisionist' stance. In this article David Bunch argues that the German Socialist Party might well serve as an object lesson for the British Labour Party.

In November, 1966 the German Social Democrat Party (SPD) entered into a "Grand Coalition" with the conservative Christian Democrat Party (CDU). Head of this uneasy alliance is Kurt Kiesinger, the ex-Nazi who is on record as saying: "Trade union leaders must be taught where they must draw the line . . . Insofar as complicated complexes of questions are concerned I do not consider the mass of the people competent to participate in making decisions."

Clearly, the SPD of today is a different party to that of the immediate post-war years. At the 1946 Hanover Conference, Kurt Schumacher, their first post-war leader, announced that the party had no intention of "damning Marxism wholesale and throwing it overboard." Obviously the turnabout since then cannot be explained away in some of the fashionable clichés.

Party attitudes have mellowed considerably since the Second World War until today it is exceedingly difficult to distinguish between SPD-socialism and modern day liberalism. What is it that has been most influential in weaning the SPD away from its traditional socialist allegiance?

The main factor appears to have been the gradual take-over of positions of power in the party by a group of relatively young and extremely ambitious politicians who had been educated in the heyday of conservative national-

ism and who give the impression of pursuing power at any price.

The post-war de-nazification programme saw many Social Democrats being offered and accepting positions in public administration. They were, after all, the main group with clean hands but it was not long before such people saw the change in their own fortunes as a reflection of greater (but largely imaginary), changes in society as a whole. The history of the British Labour Party illustrates that it too has not been immune from people who have achieved Socialism in their time—in a totally personal manner!



*This South African naval arms ban is balderdash sir!
Whoever heard of using gun boats
against natives?*

Another important factor was the influx of Christians welcomed into the Socialist party in contrast to the hostility of pre-war years. Such people were not slow to make their presence felt and today it is not unusual for party leaders to quote from papal encyclicals! (Nevertheless despite this the SPD still faces heavy opposition from the Catholic Hierarchy.)

In his book "From Schumacher to Brandt" published recently by Pergamon Press, Dr David Childs of Nottingham University provides a scholarly and readable analysis of the way in which traditional socialist principles were first questioned, then revised and finally abandoned. The national press fully backed the revisionists. The electoral defeats of 1953 and 1957 accelerated the process.

Public ownership was one of the first principles to come under attack: according to Childs—"By 1952 the German Social Democrat Party had overtaken the British Labour Party—a much less Marxist-inclined party—in the drift of European Socialism away from public ownership." Yet year by year industrial concentration in Germany was getting greater—a recent survey estimated that 94 men between them control the West German economy! In 1960, 50 concerns accounted for 22.8 per cent of industrial turnover.

In the field of defence and foreign affairs, the SPD's acrobatics have put it in the position of being more or less in step with the Conservative Christian Democrats.

Caught in the cross-currents of consensus politics, the SPD faces the future with a none-too-happy prospect before it.

The stark truth is that the Federal Republic faces grave dangers to its democratic framework. The threat posed by the latter day Nazis has been well publicised but the danger of neo-fascism exists well beyond the

extreme right-wing NPD. The number of former Hitlerites in high places is still alarmingly high and the extremely reactionary attitudes of some high ranking army and police officers is also a cause for alarm.

In addition to this there is an increasing intolerance of dissent particularly if it branches out in a leftwards direction. This is why many radicals have been disturbed by the SPD's support of the controversial Emergency Legislation which, in some respects, bears a resemblance to Article 48 of the Weimar Constitution which was used to pave the way for Hitler.

Very few socialists can be proud of the SPD's performance whilst in office. It has supported the principle of higher taxation and the relative curtailing of the social services. At the same time it has put pressure on trade unions to limit wage demands despite increasing profits. It supports the present levels of defence expenditure and has shown little willingness to abandon the sterile catch phrases of the Cold War.

It is important not to miss the close parallel between the recent histories of both the German and the British Labour Parties. Both have been subject to prolonged internal wrangling. Both have tried (quite rightly), to revise their traditional doctrines in the light of contemporary conditions but, in doing so, have tended to relegate basic principles to the background.

Both have made inroads into the fickle middle class vote but only at the expense of losing their traditional grip on the working class vote.

Both are at crisis points in their history. The future of the German Social Democratic Party as a radical force looks pretty grim. The future of its British counterpart does not seem quite so bleak. Perhaps, by learning from the grim lessons provided by the German experience, it may face a basically healthy future.

THREE DISSIDENT VIEWPOINTS

We British are alarmingly insular. The outside world is dismissed as stupid if it doesn't agree with us. We have too little appreciation of the serious and often sensible reasons for other nations viewpoints. The following three articles are published in 'Plebs'—not because one needs to agree with them—but in order for us to discuss their point of view as rationally as they are here presented.

MAIS NON

M. Couve de Murville

The Community has gone through years of conflict and bargaining, of dealing with thousands and thousands of amendments, of arguing and jostling inside innumerable specialist committees. Britain must appreciate the sinking feeling with which a great many in Europe approached the sheer weight of new innumerable detailed changes which a new vastly enlarged Community would have had to undergo. Here is part of the French case as presented by M. Couve de Murville.

Nothing would have been more simple than British membership from the start, and we would all have become adjusted to it, even though we well know that the Community's evolution would then have been very different from what it has actually been in the last nine years.

... at the end of 1966, Mr Wilson's Government took the decision to make a new attempt, presenting this time his country's application directly to the European Communities.

What can be said from the outset of this second approach, if not that it stresses what we ourselves have been convinced of for a long time, namely

that Great Britain's future is with Europe, or rather in Europe, even if this great nation will always have, more than any other on our continent, the taste and need for openings on the outside? It also means that France, with whom Britain has always had more relations than with anyone—once those of rivalry; for a long time those of alliance and friendship—cannot object on principle to such a candidacy ...

an immense change

In saying this, I do not hide in any way that the broadening of the European Communities would necessarily cause a far-reaching transformation

... there will be a fundamental change. It must be recognised and defined. Whether good or bad, an enlarged Community would be a different Community, and if we take this path, we must do so with our eyes open.

Indeed what is at issue? Great Britain is a candidate. And, in her wake, two other member countries of the European Free-Trade Association, Denmark and Norway, plus Ireland. Already Sweden and Switzerland, without having as yet specified their position, are asking to enter into negotiations. We have long been holding conversations with Austria and Spain. Consequently, we must envisage a Community of at least ten, around which would gather in practice all the other countries of Western Europe.

In the first place how can we imagine that such a Community could manage its affairs in the same conditions as the present one? More members, inevitably much more divergent interests, all the more since most of the new members would be much less continental than the current members. Therefore, more difficulties in taking decisions, in working out compromises. Consequently also, vaguer decisions, more general ones: it is the unity of the whole that would be much weakened, at the least.

are majority votes practical?

"There", people will object, "in order to reinvigorate this Community, is a good opportunity to put back into force those majority votes, the principle of which is provided by the Rome Treaty"—and which, after the 1965 crisis, have practically been abandoned by virtue of the Luxembourg agreements of February 1966.

Is one quite sure, not only that this majority voting would be to the liking of the new partners, but above all that it would be the means of best safeguarding France's legitimate interests, for instance, when it comes to setting agricultural prices ...

innumerable new details

If one now considers what is generally called the economic union, in our view the necessary complement to the customs union, can one truly think that, in the new Community we envisage, this economic union will not become infinitely more problematical, whether it concerns energy, transport, taxation, company law, social problems and so on? Actually, everything would have to be reconsidered, if only from the technical standpoint.

... such an enlarged Community would have to know how to preserve or organise this cohesion, this coherence, this solidarity. Failing which it would no longer be a union, would no longer be European and would most certainly have less independence, technological or otherwise, than its members taken individually have ever had.

... returning to Great Britain, I say now that a great deal depends on the situation in which that country finds itself and the conditions that would be set for its admission. In the light of the transformations of the Community that, once again, would be inevitable in the event of an enlargement, and on which I do not intend to deliver a completely thought-out judgment the new member must *at the very least* be in a position to commit itself fully and its entry must not upset what has been achieved and what must, in any case, remain inviolable. This was how I sought to define the French position to the Council of the Six in Luxembourg on 23rd October last.

absolute commitment?

Britain must be in a position to assume the specific and considerable commitments that would be involved, for her as for any other country, by her entry into the Common Market ... An adaptation is thus inevitable right away and must be undertaken, the essential thing being, naturally, the re-establishment of a sound bal-

THE BLACKLEG SCAB

After God had made the rattlesnake, the toad and the vampire, he had some awful substance left with which he made a "scab."

A scab is a two-legged animal with a cork-screw soul, a water-sogged brain, and a combination backbone made of jelly and glue.

Where other people have their hearts he carries a tumour of rotten principles.

When the scab comes down the street honest men turn their backs, the angels weep tears in heaven, and the devil shuts the gates of hell to keep him out.

No man has a right to scab as long as there is a pool of water deep enough to drown his body, or a rope long enough to hang his carcass with.

Judas Iscariot was a gentleman compared with a scab for, after betraying his master, he had enough character to hang himself, and a scab has not.

There is no word in the English language that carries so much hatred, scorn, loathing and contempt as the term "scab."

—From "The Scab,"
by JACK LONDON.

ance of payments. And the latter should not always be invoked as a goal to be reached in the near future, but should be effectively acquired and offer prospects of durably remaining so. This is what Mr Wilson himself has said on two occasions before the House of Commons, the second time on 8th May in the following terms: "I said in November that we should not seek to enter upon negotiations except on

the basis of a strong balance of payments and Pound."

One should then ask oneself if such an effort can be undertaken and carried through without a far-reaching and concomitant reform of the British monetary system itself. In other words, is not that system in itself a permanent source of disequilibrium and consequently of weakness for sterling? Whatever scruple one might have about making judgments on others, and since the question is publicly raised, I think that it is impossible not to answer that question in the affirmative. The Commission for its part did so in the following words:

"In addition, the management by Great Britain of a reserve currency would imply that that country would have an economic and financial policy having to serve simultaneously objectives of the Community itself and objectives outside the Community."

As concerns re-establishing the soundness of Great Britain's economic and monetary situation, being emphasised as a necessity *even before* her membership can be envisaged, many raise the precedent of France in 1956-58.

when France faltered

Our country then found itself, as regards its finances and its currency, in a deplorable situation. It was certainly not in a position to face the obligations it had contracted by signing the Rome Treaty.

But who then thought that our country would fulfil its commitments? Was it not already discussing a resort to the safeguard clauses, just before General de Gaulle's return to office? Is it then envisaged that we should see this repeated with Great Britain? (Now with the Community firmly established, it would mean that for a long time there would be two classes of members: full members and deferred members).

The example of France in 1958 illustrates this: up until 1st June 1958, her

ANGLE ON PRODUCTIVITY

The foreman approached the labourer on the job and said: "How come you're only carrying one length of lumber while the other men are carrying two?"

"Can I help it if they're too lazy to make two trips?"

weakened Government did not envisage undertaking reforms that were indispensable for the implementation of the Treaty it had signed. It was after that date that what was necessary was done, because then it was a question of the overall setting to rights of the national situation and that *the new government had the means and the will to do it.*

Similarly, assuming an agreement on these preliminary but essential questions, what would be the terms of Great Britain's possible entry?

real difficulties

To speak of the terms of entry, is immediately to bring forth the typical reply "Great Britain must accept the Rome Treaty as well as all subsequent decisions and, moreover, she is accepting them *in advance.*" Of course, and we know this *but what are the exceptions to be provided for? That is the whole problem.*

This problem is naturally complex and requires detailed examination, notably on all that concerns the customs tariff, the Commonwealth and trade policy. A priori, especially in France, the questions that come immediately to mind are those that concern the common agricultural policy, the financial agreement first, since it is the backbone for that policy. Everyone knows that *it will have to be completed before 1st January, 1970, in order to become thus the final agree-*

ment. As things stand at present, we can foresee no surmountable difficulties.

But how would things be if Great Britain were to participate in the discussion? At any event, we cannot imagine that the Six would not establish this final agreement *before negotiations.* Including, as the Commission says, the earmarking to the agricultural fund of at least 90 *per cent* of the total levies, and even if other terms could be discussed subsequently.

That is a basic problem. There are others that are equally important and difficult. Can New Zealand butter find a guaranteed outlet in the Community *when that of the member countries does not benefit from this?*

What would happen to the Commonwealth sugar agreement, when the Six already produce a surplus which will be even greater in the future?

True, this is neither the place nor the time to propose solutions. But I have said enough to show that we are speaking of real questions that must be given real answers.

inevitable delay

As a matter of fact, even those who favour negotiations say that these negotiations would last not months but years, which completely contradicts the affirmation that Great Britain accepts the Treaty and the agreements and that therefore there is no difficulty. Then there would be a transitional period, which would also last years, to allow for the necessary adaptations. In other words, the process might either be never-ending or end up with withdrawals.

... our first concern is to pursue what has been undertaken, I mean the building of Europe. It is a question of not undoing or weakening what has been achieved to this day, but rather, if we can, of completing and strengthening it."

CHINESE PUZZLE

J. Collier

Is China really a country of screaming maniacs? This report, by J. Collier, first appeared in 'Tribune'. The author was in China until recently. Although his report ignores the crude double talk and bureaucratic methods of Mao's Government, are we so sure that the explanation he offers is so far from reality?

From the setting up of the first revolutionary base in 1927 until the final defeat of Chiang Kai-shek on the Mainland in 1950, the Communist Party of China was so constantly under pressure that survival required the rapid re-establishment of unity after each internal dispute arose. As the enemy was, in the main, so clearly defined, particularly after the commencement of the war with Japan, the basis of unity was clear as well as broad.

From the setting up of the People's Republic in 1949 until 1957 there were many important differences in the party—concerning private industry, the organisation of agriculture and on the question of culture and education. Nevertheless, there was a firm basis for agreement consisting of three factors.

1. The alliance with the Soviet Union.
2. The need to create a modern industrial base.
3. The need to collectivise agriculture (for although some leaders might privately oppose the collectivisation of agriculture, and argue publicly for its restricted and slow implementation, no Communist could oppose it in principle).

Russian influences

Close alliance with the Soviet Union, and particularly the massive participation of Soviet experts in the development of the Chinese economy and education, required that China to a great extent should follow the Soviet

pattern. Nowhere was this more clearly borne out than in the army. Soviet military leadership and supply necessarily meant the transformation of the People's Liberation Army into a professional army modelled on the Red Army, and the weakening of its own tradition and theoretical basis of "people's war."

In 1950 the Soviet Union had a fully developed Socialist economy, but this was characterised by marked professionalism, wide income differentials and emphasis on material incentives, and a rigid bureaucracy.

China still possessed a capitalist industry and a petit bourgeois agriculture of smallholders, but was governed by a revolutionary party with an advanced collectivist tradition of serving the poor peasants. Thus in the following years, while the Soviet Union was helping China to build a Socialist economy, the influence of the Soviet leaders and experts was tending to draw the Chinese party to the Right.

Pressures grew

The great majority of China's intellectuals—educators, technologists, and industrial and civic administrators—who were drawn into the service of the People's Republic, although sympathetic to the new Government due to their desire for peace and reconstruction, were not Communist in outlook, but were dominated by bourgeois or traditional attitudes of mind.

Initially the Soviet influence on them joined with that of the Chinese Party to draw the mass of China's intel-

lectuals to the Left—to a more Socialist attitude of mind.

However, later a point was reached, hastened by the social trends within the Soviet Union, after which the dominant trend was for the Soviet influence combining with that of the Chinese intelligentsia to draw the Chinese Communist cadres to the Right.

By 1957 agriculture was organised on the basis of Socialist co-operatives. Private industry had been transformed into state industry employing the old owners in the roles of managers and technologists. Commerce had been taken over by the state directly or was organised co-operatively. Educational and cultural institutions came under state ministries. China had become economically Socialist, except for the semi-Socialist organisation of agriculture and retail trade.

two alternative roads

Thus 1957 was the watershed, and saw the parting of the ways both between China and the Soviet Union, and between the Right and the Left within the Chinese CP. After 1957 it was no longer a question of limited and temporary schisms that might later be healed due to an underlying broad basis of agreement, but the steady divergence of two mutually exclusive roads ahead.

Broadly the two roads may be distinguished as follows: the road to the Left: to develop industry on the basis of mass participation in technical innovation and decision-making, community incentives, and voluntarism.

To develop agriculture steadily towards collectivisation, and social incentives, on the basis of the revolutionary initiative of the poor peasants.

To integrate education steadily more with the lives of the poor peasants and workers so as to limit the growth of an educated elite. To combine the work of the scientists more and more with the general life of the people so as to

develop an integrated, rather than a specialist, science (an integration for which the need is acutely felt elsewhere in advanced countries). To re-establish and extend the theory and practice of "people's war". Overall, to consolidate the unity and combined power of the workers and poor peasants.

'revisionism' means

Or the road to the Right: to follow the lead and experience of the Soviet Union. The administration of industry by means of the expert, the authoritarian administrator, and the extensive use of material incentives.

A bureaucratically controlled agriculture gradually giving way to the pressure exerted by the middle and rich peasants for a return to private enterprise. The organisation of education so that it lead to a professional and bureaucratic elite. The organisation of science on the Western professional specialist pattern (now developed to the extreme in the case of the Siberian "science village").

The creation of a professional army relying steadily more and more on the employment of weapons of mass destruction. Overall to allow the polarisation of the nation between town and country between worker and peasant, and between worker and peasant on the one hand and a professional and bureaucratic elite on the other.

the Socialist road

To maintain the unity of the poor peasants and the workers as the basis for advancing towards an integrated society, or to allow China to advance towards a polarised society of rich and poor people, experts and manual workers, bureaucrats and governed — this is the underlying issue with which the Cultural Revolution is concerned. By adopting the Socialist road the Chinese people are not only being true to their revolutionary past of the last 40 years but will also be progressing in conformity with their own great collectivist tradition of the last 2,000 years.

LOOK AT THE MAP

M. J. Pera

The General Assembly of the United Nations by 73 votes to 19 expressed, diplomatically but decisively, the fact that it disagreed with Britain about Gibraltar. Should one therefor believe that the rest of the world is pro-Franco? This is nonsense. The truth is that Britain has a very bad case.

1. Britain captured Gibraltar in 1704; A Bourbon King of Spain signed the Peace of Utrecht in 1713, accepting this. An incident, in a period of turmoil over 200 years ago, when nations scarcely troubled to cover up their horse-trading over frontiers, is a flimsy basis for Britain's claim to Gibraltar.
2. The Peace of Utrecht, in any case, states that if Britain no longer wanted it as a colony, then Gibraltar must be offered back to Spain. If Treaty legality is to be Britain's argument then you do not have the right to change the status of the Rock from that of a 'colony'. Association with Britain or independance, are both ruled out, because neither is allowed in the Treaty.
3. The territory between the rock and Spain is certainly not covered by the Treaty. Britain has unilaterally put it to use as an airfield without any agreement with Spain. There are undoubted frequent overflying incidents within what is technically Spanish airspace.
4. Over the 200 years of British occupation the original Spaniards have moved or been moved. Loyalist elements have been imported and favoured by the British authorities. It is impossible seriously to deny the client status of the non-Spanish inhabitants who, naturally, voted overwhelmingly for staying with

Britain. Servile servants usually do vote the 'correct' way absolutely voluntarily, without any hint of pressure.

5. Just a look at the map is enough for any rational person, to accept the totally irrational nature of Gibraltar except as part of Spain.
6. The only reasonable and socialist case for you in Britain is to declare that you will hand over Gibraltar, *but only to a democratic Spain*, and that even then you will insist upon reasonable safeguards for the population of Gibraltar and a fair period of adjustment. Such an attitude would make modern day sense whereas your present dubious posture appears to the rest of the world as a hangover from the power politics of the past.



MENTAL HEALTH

Terry Philpot

One man in 14 and one woman in nine will be admitted to a hospital in Great Britain at some time during their lives. 10 per cent of the patients on a doctor's list seek psychiatric treatment in one year. Admissions to mental hospitals have doubled over the last 10 years. For every psychiatrically disabled patient in hospital there are probably two in the community.

Research has shown that the more deprived a community is the higher is the incidence of mental illness and yet these areas have the least resources available to deal with the problem. Although a Royal Commission in the late 1950s advised the Government to make grants available to local authorities specifically for the treatment of mental illness this has not been done and consequently the money which a local authority may allot to mental health treatment is derived from its ordinary sources of income.

The desperate plight of the deprived areas is best illustrated by reference to the East End of London and the startling facts and figures brought out in the report *The Mental Health of East London*.

The remark that "you name the problem and the East End has got it" is unfortunately as true as ever: in the 10 years 1946 to 1956 prosecutions for soliciting rose 300 per cent; at the moment it has a higher than average unemployment rate; alcoholism and meths drinking have been the subject of countless enquiries and one area in the London Borough of Tower Hamlets shows all the signs of turning into a drug addiction area. Given these facts and remembering the enormous housing shortage—Tower Hamlets managed to get only 11 families out of homes and into new Council accommodation after meeting other commitments last year—it is not surprising to learn that mental illness figures have shot up way above the national average.

In the areas of Stepney and Whitechapel—long known for their housing, prostitution and alcoholism problems—the mental hospital admission rate is three times the national average amongst men. In Hackney and Tower Hamlets the rate of schizophrenia is twice the national average. Taking the whole of the borough of Tower Hamlets the admission rate is 77 per cent above the average.

Readmission after relapse is a pressing problem. In Hackney the rate is 55 per cent and in Tower Hamlets it is three per cent higher than even that figure—58 per cent! The national readmission rate is in any case 49 per cent which means that one in every two people who leave a mental hospital return later on.

It is true that fewer people are admitted to hospital in East London for neurotic illnesses than are admitted nationally, but Tower Hamlets' advantage here, is cancelled out by the fact that social deviations (alcoholism, drug addiction and psychopathy) are three to four times greater than in the rest of the country.

Too often lost in the haze of statistics, reports and figures is the fact that it is people, individuals, who are affected by mental illnesses and it is only by catering for the needs of the individual both personally and in his wider environment that this problem can be overcome.

The basic requirements for all ex-patients are a home, an occupation

and a satisfactory level of personal and social adjustment. Ideally, of course everybody may be provided with a home just as they may eventually be fully employed. But it is often the question of personal and social adjustment which presents the greatest problems.

Mental illness is still often thought of as something slightly comical, and allied to this, something slightly fearsome. This attitude probably goes back to the days when we knew less of the illness than we know today and when — amongst other things — the mentally ill were thought to be "possessed" by devils, or when the general public were allowed to visit mental hospitals to "observe" the inmates in much the same way as we might visit a zoo today.

With yesterday's legacy of suspicion and fear and today's lack of knowledge, people tend to shun the mentally ill in a way that they would not shun the physically ill.

Local authorities must be able to make a start by providing a certain number of Council flats for the accommodation of ex-patients. Visits from a housekeeper or "rent collector" would not only see that personal contact is maintained but also that social isolation is avoided. At the moment, for those unable to cope immediately on entry to the outside world hostels are provided for short stay patients.

The provision of employment is central to the problem as the inability to adjust to work is the cause of very many breakdowns. Many patients, of

SOCIALISTS IN LONDON

Central London Fabian Meetings

Wed., 7th Feb. "Rhodesia and Beyond."

George Thomson, M.P.

Wed., 14th Feb. "The Health Service."

Kenneth Robinson, M.P.

Wed., 21st Feb. "The Environment Costs and Benefits."

Niall McDermott, M.P.

Wed., 28th Feb. See New Statesman announcement.

course, will never be able to lead an ordinary, satisfactory working life and will need constant attention and supervision to stop them deteriorating; others would respond favourably if they could gain employment on leaving hospital while others need to go into industrial retraining centres to work and then graduate into a normal working life. At the moment there are many ex-patients working in day centres run by both local authorities and voluntary bodies.

John Wilder, Director of the Psychiatric Rehabilitation Association has attacked the present attitude which throws upon the local authority with its limited resources such complete responsibility for community care. In an article in *Medical World* he wrote: "While this attitude persists community care is bound to fail. It can only succeed when it is interpreted as care *by* the community, not simply *in* the community".

The problems of mental health can no longer be tucked away into some small corner of the Local Authorities offices. They demand national attention and care by the whole community

LONDON READERS who wish to become active supporters should contact Frank Ward, Editor *Plebs*, 11 Dartmouth St., SW1. There will be plenty of work of all sorts. Labour Party young socialists (non-sectarians) are particularly urged to come and help.

AMERICAN STUDENT LOANS

The details are given here of how American students pay—or borrow — their way through University. The system appears strange and alien to British educationalists. The problem is not, of course, of adopting the primitive American system of financing education but of deciding how to take over from their system the way in which they have broken down the ivory tower life of professors, tutors and students and made education far more part of the hurly-burly of working life.

At its 1965 convention, the AFL-CIO unions declared, "We are still far from the AFL-CIO goal of free public higher education for every young person who desires it and who is qualified for it." We have made progress in the two years since that convention, but we are nevertheless still far from the goal.

charges rise

For most families cost is the major factor in the determination of whether their children can go to college—and if so, to which one.

And the costs climb. In 1965, the average total tab for the student came to \$1,529 in public colleges and \$2,532 in private ones. At the present rate of increase, total costs for students in 1975-76 will be nearly \$2,000 for public and nearly \$4,000 for private institutions. Clearly, private colleges are moving out of reach for all but the more affluent.

In 1955, it cost private colleges \$415 a year for each student to make up the difference between what it cost to educate him and what he paid. This subsidy rose to \$508 in 1965. In public colleges—which traditionally have subsidised students to a greater extent—the cost per student rose from \$794 in 1955 to more than \$1,000 in 1965.

Major federal support of the individual student in colleges and universities began less than ten years ago. The first form of assistance to students was the National Defence Student Loan programme, which got under way in 1959. During the past few years, new programmes have added to the opportunities of students who need assistance. This year the U.S. Office of education is supporting programmes that enable more than 1 million undergraduate students to attend college with the help of more than \$1 billion. They have obtained loans, grants or work-study jobs from their college. Many are borrowers under the Guaranteed Loan Programme.

In the timing of federally-supported programmes, help for needy students came first, with the National Defence Student Loan programme.

Then five years later came the College Work-Study programme, offering low income students a chance to help work their way through college.

The Higher Education Act of 1965 looked toward two groups of young people who were still too often falling off the rungs of the educational ladder—young people who are among the poorest in the nation and those from middle income families who still need help in financing educational expenses.

student loans

The Educational Opportunity Grants programme provides outright grants to those in extreme financial need. The Guaranteed Loan Programme provides an opportunity for borrowing from commercial lenders on reasonable terms, with federal interest benefit payments made on behalf of eligible students.

College financial aid officers frequently work out a "package" deal for their students which can combine programmes of loans, grants and jobs.

The majority of borrowers under this college-based loan programme come from families of \$6,000 income or less, although all students who need to borrow are eligible. Undergraduates may borrow up to \$1,000 a year to a total of \$5,000. Graduate students may borrow as much as \$2,500 a year to a maximum of \$10,000. Repayment and interest do not begin until 9 months after the student ends his studies and may be extended over a 10-year period.

When the college year ended this past June, more than 1 million students had borrowed over \$1 billion since the programme began in 1959.

Since 1965, about 275,000 students have helped work their way through college under the College Work-Study programme. They work up to 15 hours weekly during their school year and up to 40 hours a week during summer or vacation periods. Their average total salary is about \$700 a year. Work may be anything that advances the purposes of the college—in dining halls, laboratories, libraries or maintenance. Or it can be off-campus in public or non-profit organizations in health, education, welfare or recreation programmes. All students who need a job to help defray college expenses are eligible, although preference is usually given to those from low-income families.

In the fall of 1966, 123,000 needy

students were able to go to college with the help of educational opportunity grants ranging from \$200 to \$800, matched by other assistance from the college such as loans or jobs. From this academic year, more than 220,000 students received these grants. They are not based on scholastic attainment, since many of these young people attended schools ill-equipped to give them good academic preparation for college. They need a chance to catch up with their more fortunate classmates. Even so, in the first year of operation, an estimated 54,000 students were in the top half of their college class and thus won a \$200 incentive award.

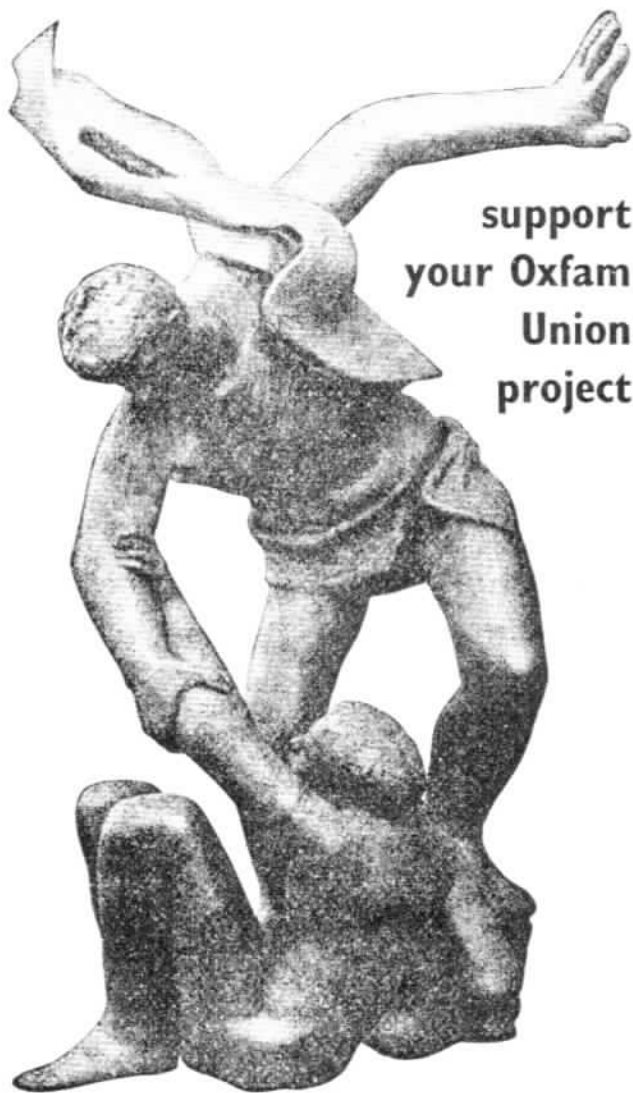
study now—pay later

Since the programme began in November 1965 and through June 1967, more than 377,000 students borrowed more than \$325 million for educational expenses. This includes loans made under the vocational loan programme, which was slower in getting started, and just becoming nationally operative.

Students borrow directly from a bank, credit union or other lender and make their repayment directly to the lender. Generally, an undergraduate student may borrow as much as \$1,000 a year and a graduate student may borrow as much as \$1,500 a year for six years. A student from a family with an adjusted income of less than \$15,000 a year pays no interest while in school and 3 per cent interest during the repayment period, which begins after he leaves school. The federal government pays the lender 6 per cent interest on the student's behalf while he is in school and 3 per cent during the repayment period.

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