

# **Unemployment**



## Murder

The most distinct feature of early capitalism was the huge numbers of people it drew from the land to create an industrial army of wage slaves. At that time it was an expanding, growing system. Present-day capitalism presents an altogether different scenario from the days of the Great Exhibition. As a system it appears so stricken that it is incapable of fulfilling its own stated reason for existence, to exploit people's labour in order to make a profit, and annually spends billions to keep people from producing.

Nearly ten years ago our party warned of the dangers of de-industrialisation. Now the dangers are widely recognised, though still too few care to admit that such a process follows naturally from a system which has outlived its usefulness. De-industrialisation is no longer a satisfactory descriptive term of what is taking place in Britain. We are witnessing, for the first time in an advanced capitalist nation, industrial genocide.

Already we have experienced a slump more profound than that of 1873 (known as the Great Depression) or of 1929. Between 1929 and 1931 manufacturing output fell by 12%. Already since 1979 output has fallen by 19%. Each of the two previous slumps had an element where old industries were being supplanted by new ones. What makes this crisis chronic, if not terminal, is the fact that no new industries are coming forward. Advance in new technology is not the same as appearance of new industries. Overwhelmingly the new technology being produced is being put to use in existing industries. Rather than constituting a new industry it is the product of advances made in older ones such as electrical engineering. Where are the industries which in the future will employ and train the millions of unemployed? There are none neither are there any plans to build them. One of the main features of this crisis is that the very basic industries on which any future advance could be made are being destroyed precisely to halt any such advance

from taking place.

Clearly Britain is not the only country to suffer, although all the ailments of capitalism world wide are focused in this, the oldest of them all.

Over a period of decades the rate of increase in profits in the manufacturing industries has continued to decline. This has been true even in those industries where re-tooling has taken place. The reasons for the decline are many, though they all relate to the growth of wages and what capitalists call restrictive practices, more commonly known to workers as 'job control'. The only avenue for capitalists to alleviate the problem would be to intensify the rate of exploitation, to drive down wages or both. Clearly this can only be successful when their opposing force, the workers, is divided or weakened. But with the highest density of trade unionism in the capitalist world it is not easy to increase the hours or cut wages. The only conclusion a capitalist could draw would be to remove the obstacle to such an avenue. This is what they did until 1979. 'In Place of Strife', the Industrial Relations Act and the various 'Social Contracts' all sought to restrict the power of the labour movement to determine living standards. They were unsuccessful. By 1979 it became clear that the strategy needed to be modified. The basis of the new strategy, for which Thatcher was groomed and monetarism was created, aimed at destroying industry so as to permanently cripple the unions. The onslaught has taken three particular forms, the first an investment strike, the second the removal of capital abroad and third the aim of flooding the country with imports.

Since the mid-1960s there has been a chronic lack of investment in industry, to the point where Britain now has the lowest investment level of any major industrialised country. Since Thatcher was elected, investment in manufacturing industry has dropped by a third to the lowest level in nearly 30 years. For every worker in British manufacturing £870 was invested in 1982. The corresponding figure for the USA was £1400, £1500 in Germany and £3600 in Japan. Capitalists always claimed that they could not invest in Britain because of the 'British disease', and yet with the lowest level of strikes for years we find a never-

ending drop in investment levels.

So where has all the money gone In short, abroad and to 'safer' havens such as the USA. In 1979 total portfolio investment overseas (shares etc) was £1030 million. In just four years the figure has reached £14,000 million and is still rising. In total, over £35 billion has been invested abroad in the last four years. In November 1979, six months after taking office, Thatcher removed exchange controls. Now the rate of outflow amounts annually to 25% of all available capital. Following this has come a flood of imports. 1982 was the first year since the industrial revolution in which the volume of imported manufacturing products exceeded those exported.

The share of imports in our home market reached 28.5% in 1982. These imports have been specifically concentrated so as to wreck our basic industries. In textiles 41% of the market has fallen prey to imports, steel has been decimated, coal is under attack, and 46% of cars are now imported. At the same time our overall share in the world trade of manufactured goods has fallen from 18.5% in 1954 to 6% today.

Britain's ability to even feed herself is now seriously in doubt, and the degree of American investment in Britain gives the USA a critical say in the shape of the British economy and the policies which direct it. The demands of the American imperialists do not stop at the gates of Cheltenham GCHQ.

The results of this strategy are apparent for all to see. Wholesale closure of factories, industries gutted to the extent that they will never recover, communities under threat and disappearing. We have millions unemployed: how many are underemployed, or on short time?

## **The Effects of Unemployment**

Though it could never serve as an excuse for lack of our resolve to fight unemployment, we should not fail to recognise the lengths to which the government goes not only to hide

the true statistics but to distort those that are produced. The gathering of accurate facts is no easy task.

In 1972 there were 600,000 unemployed and all said it was unacceptable. In 1979 the figure rose to 1.5 million and it was still unacceptable. Forward to the 80s not back to the 30s. And yet by 1984, with 4 million unemployed and talk that the figure might reach 5 million by 1990, the voices grew notably more silent. Indeed, is it still unacceptable, or are we learning to turn the blind eye and live with it?

Murray is no longer even asked his opinion by the pundits and the broadcasters embarrass us all -what are the number of vacancies, were the number of YOPs trainees counted, were the figures seasonally adjusted? They could save us all the pathetic show by asking the police to adopt the same counting procedures that they use for protest marches, and then we would have the full employment that so many millions live in hope for.

All too rarely do we hear that any level of unemployment was and remains totally unacceptable. Any worker unemployed is a crime, all the more so because in Europe the socialist countries such as the GDR and the USSR have too few workers to man all the machines, proving daily the superiority of socialism.

Figures of course, belie many things. To us they have relevance because they refer to workers and their families, and also for a wider reason. It is not possible to have 4 million unemployed without having a profound effect on average living standards of all workers and also on the mood and confidence of a class. Recently the more sensational aspects of the effects of unemployment became news. 50% of all attempted male suicides in 1982 were by unemployed males. Up to 40% of those who appeared in court were unemployed. Those facts that indict the system directly were conveniently covered up.

Piecing together the various reports, we know that the unemployed in general live on little more than a third of the average employed workers' wages, and we know how low they are.

- ▶ Now over 50% of the unemployed have to claim Supplementary Benefit (SB) in order to reach the official poverty line.
- ▶ According to the Child Poverty Action Group even the most meagre estimate of the cost of keeping a child is 25% below the maximum available benefit on SB
- ▶ In a DHSS survey carried out in 1981-2 it was found that the 2-year-old children of those long term unemployed were an inch shorter than other children of the same age.
- ▶ It is estimated that for every increase in the number of unemployed by a million over five years (we have had twice that in half the time) you get 50,000 more deaths through general illness, 167,000 more deaths through heart disease and 65,000 more admissions to mental hospitals.

Clearly such incidents are not accidental. Put into context they are the first stages of what happens when those in government consider the best method of destroying a working class. They are a foretaste of what could befall us all if we do not stand and fight.

If the unregistered unemployed, the 50% of women who should register as unemployed but do not and the 543,000 on training schemes are included in the figures, we find that we have 5 million unemployed: one in five of the economically active population.

## **Invisible Men and Women**

Yet why are we so silent? How can it be that so many unemployed can remain hidden from public scrutiny? It goes without saying that we will not read about it in the capitalist press unless Mr Smith, unemployed for two years, wins the pools.

At the end of the last century, before the efforts of Rev Mearns and his "Bitter cry of outcast London" or of Arthur Morrison's "Child of the Jago" lifted the veil, the East End of London was nicknamed the dark continent because it was as undiscovered as the centre of Africa; the unemployed simply rotted. They only ever emerged to walk the length of Oxford Street with their begging bowls. The rioting of 1886 and 1908. was perhaps unfortunately the exception rather than the rule.

But in the 1930s the unemployed did emerge as a dignified and organised force, and their exertions along with those of the trade unions (though they did not do nearly enough) led to many of the welfare reforms we take for granted today.

By the 1980s we appear to have gone back to square one.

The main reason that the unemployed remain "invisible" is because they share their poverty and lifestyle (except for the act of going to work) with millions of others. Peter Townsend in his excellent study of poverty in the UK found that the proportion of the population in poverty in the late 1960s was between 6% and 9%, with 22% to 28% on the margins. These figures are strikingly similar to those found by Booth, Rowntree and Bowley in the generation before 1914. The Wages Councils set up in 1918 to combat the appalling conditions in the "sweated trades" now, in 1984 cover 3 million workers. Thatcher has decreed that these councils will be dissolved in 1985. They set the going rate roughly to the official poverty rate, and yet last year a third of all companies covered by the council were found, on inspection, to be underpaying.

The Council of Europe sets a "decency threshold" of earnings at a level of 70% of average male and female earnings, equivalent to £93 before tax in 1982. In that year 7 million workers in Britain fell below the "decency threshold".

It is popular in some social democratic circles to write off the working class because it is supposedly getting smaller. In fact the opposite is happening. Some may be doing well out of Thatcher, indeed she is resurrecting



a kind of Victorian underworld, but though they may hold some influential positions they are small in numbers.

Giros are sent through the post and the unemployed are discouraged even from attending their local dole office for fear that congregation leads to common action. They are paid below the very minimum on which it is possible to survive, in the hope that constant debt will keep them at home, shut off from society, powerless and disorientated.

The denial of the dignity which comes through work, and the feeling of contributing just that little bit to society, even though the capitalist steals the product is a clear attempt to divide the working class: one section expendable as a prelude to destroying the other part. Workers need work, it is the source of all wealth, without work we could not survive as a race. To enjoy the full fruit of our labour we must rid ourselves of the capitalist.

The aim then is to submerge the unemployed in a sea of poverty which crosses previous boundaries that divided those with and without work. There are now 11 million people on or below the poverty line in Britain' and there is still no worker more than one wage packet away from destitution. The government callously refrains even from giving a glimmer of hope. We are to be starved of all that forms our cultural identity and makes living possible. We have already allowed ourselves to be pushed too far down this road.

## **Misconceptions and Misdeeds**

1979 was a water shed from which there was no going back. All the basic conceptions that the labour movement has cherished, particularly the one that it was possible to reform capitalism, have been called into question. The long-held tenets of political economy, of the "mixed" economy, the role of nationalised industries, of "free" collective bargaining have been held up to critical examination. Thatcher's was an ideological challenge, coming after years of cross-party consensus politics, of Box and Cox,

and it caught the labour movement off guard. We were lulled by years of cosy fireside chats with Prime Ministers, and having used our strength to eject Callaghan had no consensus of our own on what was the proper way forward.

To be frank many grew too cocky and had dreams of respectability, especially after the "winter of discontent". With Thatcher's election the belief was that any attack would come, as it had done with Heath, through the courts. Those who understood the significance of Thatcher realised quickly that she had learnt her lesson and that the attack would come in the workplace, where many felt secure and had grown flabby.

The sheer speed of the factory closures and redundancies left many in a trance. So much so that in the struggles that were conducted to retain jobs any question of creating new ones was relegated to a poor second.

Since then too many concessions have been made to Thatcher ideologically, and some of her arguments have taken root.

Some, for example, reject Thatcher, recognise her as an enemy and yet still believe that because of new technology we are lucky to have just 4 million unemployed. There are also those who even say there can never be full employment under capitalism: these simply call unemployment 'leisure time', providing of course it is someone else who has the 'time to kill'.

Finally there are those, even amongst the most class-conscious, who believe that come what may the PM is the PM who has a mandate from the people. The bourgeoisie of course has no such illusion. Kings regularly deposed each other regardless of the validity of their claims to the throne. Indeed Thatcher has also proven that when beaten on one's own territory, one simply changes the rules, as with the attempt to break up the GLC and the Metropolitan Counties.

In the 1950s it was common currency to think that we had seen the last of unemployment. Of course, no bourgeois scholar has dared ask what would have happened if so many men had not died in the war or if those women who worked in the factories and fields had refused to stand down for the 'return to peace time' - that would make capitalism's

period of 'full employment' appear a little sour.

Because of this view, however, it was easy then to give up control of apprenticeships with a clear conscience. Since that time the number of apprenticeships in the basic manufacturing industries has plummeted.

The skilled workers have been the backbone of our working class movement for two centuries. The decline in apprenticeship and the consequent lack of introduction of new skilled blood into industries will have far-reaching, devastating effects on the unions. Apprenticeship has always been much more than passing on skills from one generation to the next, it is also an avenue for passing on the accumulated class experience and working class values and standards, particularly where relations with employers are involved.

'Redundancy', a typical euphemism of social democratic invention, created in the belief that a worker could be 'bought', has unsurprisingly caught on. After all, figures of thousands of pounds appear a lot to most workers, although the figure is rarely so high. It also quickly runs out. By the time workers come to review the outcome of their taking this fool's gold, much else has happened. They find that by taking the money, as some do with the best of intentions, they simply open the door for the employers to force compulsory redundancy and then closure. The employer then gets the money he has laid out back in the form of government subsidy or by selling off machinery, as happened at Linwood. And the workers are left with what? No jobs for the youth, no industry, no services, a run-down health service, and closed schools. Was it all worth it for three or six months pocket money?

Not long ago many would have denied such consequences, but there are too many factory graveyards now. How many knew that such events would occur but did nothing? We now know all the tell-tale signs of closure. It may start with announcements to shift production elsewhere or to close down a crucial part of the workplace. It may start with scaling down production or offering early retirement, 'natural wastage', or voluntary redundancy. Most likely it will come in the form of no wage increase, which saves employers money to finance redundancies. If our unions

can foresee all this but turn a blind eye, then all they can expect is a bunfight over who gets the pay-off and how much.

In these threatened areas we must not wait for the chop. We have to learn (and time is short) to anticipate, to educate and fight among the workers for real opposition to run-down and closure. Sometimes this takes literally years, but we have to start somewhere. In a number of places we have successfully fought off closure. The workers take the struggle to the surrounding communities, to the local council, to other unions locally and nationally. Employers recognise no allegiance to communities. When they decide our factories are to die then we will make sure it is they who move over, not us.

In this process the unions at branch level can become places where we pool the experience of those in and out of work, the youth and the older generation. Branches are the best place to monitor where overtime is being worked or where employers are doubling up on labour or diluting skill. The branch can then become the avenue for applying pressure on employers to take on those out of work.

With the inactivity of the labour movement, a call has grown, in some cases as a diversion, in others simply born of desperation, for separate organisations of the unemployed, or for unemployed organisations free from the discipline of the labour movement.

If we learnt anything from the inter-war years it is that division leads only to weakness and isolation of the unemployed, and that the real onus for getting the unemployed back to work lies with those with jobs and the power to influence events.

In many areas now unemployed centres have been set up. All too often they have been set up by employed trade unionists who have then stopped taking more than an official interest in them. Consequently at best these organisations have attracted some unemployed to them for help or recreation or mutual support, but they have not become organs of struggle uniting those with and without jobs to take people into work. In any event, such organisations are far too weak as organs on which to base a national movement of the

unemployed.

We must assist the unemployed to force themselves on the unions to take up their national interests. Only the unions can do this because they are geared to taking a national responsibility towards the industries of the people they represent. It is one thing for an unemployed centre to build a locally based struggle around, for example, free travel for the unemployed, which they must do. It is quite another for such fragmented centres to formulate, struggle for, and implement a policy of recruiting and training thousands of apprenticeships for the building trade.

How is it that the trade unions can raise a million pounds in an afternoon at Wembley and yet squabble over a few thousands to set up unemployed centres? The answer is partly historical. Trade unions, historically, saw a major part of their functions to pay such benefits as sickness, unemployment, or death benefits to their members. This was of course a protection against the system which forced terrible poverty on them. Late in the 1880s came a new view of trade unionism and socialism which saw a 'caring state' as taking over these tasks. Within a few decades many of these functions were forced on the state. In a broad sense then, the responsibility for paying and maintaining the existence of the unemployed was transferred from the unions to the state.

Now many decades of trade unionism have gone by where the role of maintaining unemployed members has been minimal. Coupled to those post-war decades when unemployment was not an issue, the unions allowed political responsibility for the unemployed as well as the technical responsibility of maintaining them to slip away. When Thatcher's strategy began to bite they were ill-equipped to confront the problem.

One diversion which has gained limited currency has been that of sub-dividing the unemployed into different categories. The young are to be pitted against the old, men against women, black against white. All this on the spurious grounds that 'special disadvantage' means that special reverse discrimination has to be applied as 'positive

discrimination' or legally enforceable quotas. Where this strategy has been most developed as in the USA it has led to an orgy of conflict between workers which has served none but the employing class.

Another, more important problem has been the boycott by some unions of the youth training schemes. The other side of this boycott has been the cosiness of some unions to such schemes even though the conditions and pay are appalling. Only the most short-sighted can fail to see that the schemes are intended to undermine established labour and conditions.

There are 543,000 trainees on various government-sponsored courses now, and their existence cannot be willed away. We know that Thatcher's interest is to hide the real level of unemployment, to head off public criticism and to undermine the unions, but it is much more than that. There is no doubt that Thatcher is contemplating making workers pay twice for their training. First through taxes. And now moves are afoot to set up loan schemes to speed the process. The youth, who are to be denied unemployment benefit if they refuse to take up a YTS course, are the thin end of a wedge of conscription which will affect us all. Some, certainly, are using the 'principle' to cover up their fear of the daunting task of organising so many people, particularly when they thought they had won the right of unions to exist forever.

We are not interested in organising those on YTS schemes simply to bolster our flagging numbers. Our aim is to recruit these youth in order to bring them into the struggle for work, to aid their struggle to change the training places they occupy into properly paid jobs. Once the YTS trainees are brought into the factory we must ensure that no employer can ever throw them out. It is in the workplace that union strength and control over jobs can be combined to force their presence on the employer, who will pay them or face the consequences.



## The Long Way Forward

That it is Thatcher who is our adversary forces us to confront a number of problems of strategy. She has thrown down a challenge so fundamental that we can neither duck nor dodge. Thatcher has returned to the 'basics' of her class outlook, to the naked power exhibited by capital in the 1850s. It is the sort of return to basics that we the working class must again bring to the fore if we are to meet and overcome the present onslaught. All our future advances will be shaped by whether and how we take her on.

If the working class is to fight then it will never do so on a diet of half truths. If there is a gap between ourselves and the thinking of the mass of the workers, and there is, then we will never close that gap by distortion or deception. We the party offer the one road. It is the hard and long road but it is the road of real and lasting advance, not candyfloss. No worker ever believed the streets were paved with gold.

The division which has appeared in the labour movement is no longer one of differences over tactics or how to decorate the Christmas tree. What has become apparent is that we are divided on ideological grounds.

At the end of the last century the trade union movement was strong because it alone as a body was associated with the struggle against poverty and unemployment. No labour movement today can claim to be moving in the direction of socialism if it does not have as the first inscription on its banner 'an end to unemployment - we will work'. No amount of alternative plans for coping with new technology can act as a substitute for the struggle in the workplace to safeguard jobs.

Our party is a part of this struggle. We do not fear the odds. We believe that the selfless dedication towards the ideals of the labour movement which millions continue to embrace can turn the tide. Unemployment is Thatcher's weak spot: it is also ours. It is the issue which forms the

great meeting point of the two classes battling for Britain's future. For capitalism, unemployment is a necessity if its policy of genocide is to succeed. For the workers opposition to unemployment is necessary if we are to survive, let alone advance.

We call on all workers to take up the challenge. Raise it in every arena of our class, work out how to fight to save and create more jobs. From this we will build the movement to destroy Thatcher and make the struggle for the right to labour the basis of a new Socialist Britain.







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