

CURRENT SURVEY

**UNITY
OF THE
LEFT**

**ON MARXIST
STUDY**

LETTERS : DISCUSSION

THE MARXIST

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CURRENT SURVEY

TRENDS IN WESTERN ECONOMIES

INCREASING CONCERN over the economic outlook is being expressed in the main Western countries. The growth of industrial production has slowed down as indicated in the following table.

Table One

		Industrial Production					
		1960 = 100 seasonally adjusted					
		U.S.A.	W. Germany	U.K.	France	Japan	Italy
1964		122	125	113	127	166	134
1965		132	132	113	128	174	140
1966	1st Quarter	140	135	119	134	181	149
	2nd Quarter	143	136	118	136	189	155
	3rd Quarter	145	133	119	140	149	
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In the USA the rate of growth has slackened. It is widely argued that the five year old boom has reached its end and Johnson's tax increases will depress the economy. Hopes of continued industrial expansion rest mainly on expectations that the Vietnam war requirements will expand. West Germany has reached a plateau. The 'economic miracle' is over. There is a deficit in the Federal budget and corrective measures are likely to limit

economic activity. The United Kingdom stagnates and production is forecast to decline. On the other hand, France is recovering from the downturn of a couple of years ago and Japan and Italy continue to expand. The weight of the U.S., West German and United Kingdom economies is, however, preponderant within the capitalist world. Their problems overhang and affect the workings of the whole system.

As a result of slackening demand from the industrial countries, the primary-producing countries are facing lower prices for their commodities. Taking 1952 as 100, the *Financial Times* commodities price index has fallen from 94 in July 1966 to 82 in January 1967. Thus these countries have lower export revenues from which to pay for imports. Their difficulties will react on the industrial countries.

World trade reflects these factors. Its growth was very vigorous during the early 1960's with a rate of increase of around 10 per cent a year. Latterly growth has slowed down.

Table Two

Trade of Industrial Countries

(Billion dollars, quarterly rates, seasonally adjusted)

	Exports	Imports
1962	21.80	22.46
1963	23.74	24.72
1964	26.87	27.73
1965	29.50	30.21
1966 1st Quarter	31.54	32.64
2nd Quarter	32.25	33.01
3rd Quarter	32.79	33.76

Trade of Primary Producing Countries

	Exports	Imports
1962	8.41	9.19
1963	9.22	9.65
1964	10.08	10.69
1965	10.57	11.41
1966 1st Quarter	11.16	11.78
2nd Quarter	11.41	11.68

The slowing down of foreign trade growth is frequently said to be the consequence of the failure of monetary authorities to provide sufficient means of international payments. There is said to be a problem of world liquidity which has failed to keep abreast of the growth of trade.

By world liquidity is meant the foreign payment resources of the various countries, which are represented by their reserves plus other means of payment based on credits arranged among them or with the international

monetary and banking institutions. If total foreign payments resources do not grow in line with the expansion of world trade, it is argued that trade will be restricted through lack of finance.

Credits are related in the end to the reserves, which are increasingly under strain. Whereas in earlier years the output of newly-mined gold was contributing to the growth of reserves held by governments and central banks, last year the whole gold output of the capitalist countries was absorbed by private hoarding, and there was even a fall in official holdings of gold and foreign exchange from 49.44 billion dollars in December 1965 to 48.73 billion in November 1966.

Undoubtedly there are problems of world liquidity and balance of payments difficulties, which are dealt with in the next section. But we believe that this slowing down in world trade reflects primarily the dynamics of the economic situation rather than financial limitations in themselves.

Despite tightening economic conditions, prices have continued to rise in most industrial countries. Taking 1958 as 100, the rise in the index figure of Western manufactured goods export prices was from 106 in the first quarter of 1965 to 109 in the third quarter of 1966. Of course, the rise was not uniform among the different countries, some improving their competitive position relative to others.

Table Three

Western Manufactured Goods Export Prices (1958=100)

	1st Quarter 1965	1966	Percentage Change
USA	110	109 (2nd Qtr.)	-0.9
UK	111	118 (4th Qtr.)	+6.3
W. GERMANY	110	113 (3rd Qtr.)	+2.7
FRANCE	102	106 (3rd Qtr.)	+3.9
JAPAN	92	90 (3rd Qtr.)	-2.2

Primary producing countries have therefore been squeezed not merely by receiving less for their exports but also by paying more for their imports.

Consumer Prices and Expenditure

Domestic prices to consumers in the Western industrial countries also rose appreciably.

Table Four

Consumer Prices (1960=100)

	1st Quarter 1965	1966	Percentage increases
USA (1957-59=100)	108.9	113.7 (2nd Qtr.)	4.4
UK (1958=100)	114.5	121.2 (2nd Qtr.)	5.9
W. GERMANY	113	118.7 (3rd Qtr.)	4.8
FRANCE	119.1	124.1 (3rd Qtr.)	4.2
JAPAN	131.4	143.8 (3rd Qtr.)	9.4

How has consumer expenditure changed in face of these price increases?

Consumer expenditure was rising during the period reviewed but more

recently there has been a levelling-off in consequence of the financial squeeze (which affects hire-purchase and credit transactions), higher taxation in most countries and rising unemployment and short-time working which reduce earnings. Slackening foreign trade and declining investment also curb purchasing power and strengthen the downward pressures on the economies.

To summarise, the main features of the situation are:-

- (a) production growth is tapering off. The activity of the leading capitalist economy, the USA, is increasingly dependent on the course of the Vietnam war.
- (b) the growth in world trade is slowing down.
- (c) the unfavourable price relationship of primary commodities to industrial goods is reinforcing the difficulties of world trade.
- (d) balance of payment difficulties of some key countries limit the scope for their governments to stimulate their economies through easier taxation and credit policies.

Staving off Crisis

Capitalists are thus taking a pessimistic view of future sales possibilities. They expect tightening markets. This leads them to curtail capital investment. A downturn in this is always a basic factor in capitalist crisis. In the UK the Board of Trade, in spite of every motive for putting forward a rosy view, has forecast a decline of 10 per cent in 1967 private industrial investment compared with last year.

Some important industries are in trouble on a world scale. World steel capacity is considerably in excess of market requirements, a situation expected to persist for years ahead. Synthetic fibre capacity has been built up ahead of the market. Oil is abundant. Coal production has had to be systematically cut back. Car production will operate well below capacity this year.

Marx held that the final cause of capitalist crisis lay in the tendency of production to increase beyond the absorptive capacity of the market. At a certain point the unbalanced relationship between supply and demand lead capitalists to reduce production, restrict investment and make workers unemployed. All these factors are developing today, and balance of payment and financial problems limit the amount of manoeuvring room obtainable from using 'Keynesian' techniques, (*i.e.* bolstering purchasing power by easing credit and reducing taxation).

This is not to say that a catastrophic world slump is around the corner. The Vietnam war, lavish expenditures on armaments, the competitive space-race and other governmental projects, provide a market for a sizeable volume of production. Manipulation of credit for housing and hire purchase, and adjustments in taxation and social services provide means for regulating consumer demand. The capitalists, despite their mutual contradictions, recognise the necessity for some degree of co-operation, as demonstrated in the end-January meeting at Chequers of the finance ministers of the UK, USA, Germany, France and Italy.

Starting with the UK, the different countries had raised interest rates to protect their balance of payments position by retaining and attracting capital,

but in the end the increases cancelled out in their competitive effect and all the countries bore the burden of the higher level. The Chequers meeting was to exchange views on these questions. Subsequently cuts were made in interest rates in the U.S, U.K, France, and Germany, and the U.S has increased its special withholding tax from 15 per cent to 30 per cent in order to restrain the export of U.S private capital.

As we see the economic perspective, there will be increasing strains and stresses within the leading capitalist countries; sharpening international competition over trade and finance; growing opposition between the industrial and primary-producing countries. These mounting tensions, and the changing relative economic and financial strength of different countries, in particular the decline of the U.S relatively to Europe and Japan, are affecting the established post-war economic and political pattern. The balance of payments problems of the dollar and sterling have led to conflicts centred around the role of gold, the organisation of NATO, the membership and purpose of the Common Market.

THE GOLD BATTLE

The sharpening contradictions we have described are focussed in the conflict over international monetary arrangements, over which there have recently been important exchanges, notably on the role of gold. This conflict involves not mere questions of financial techniques or economic theories but major clashes of interest, in which the protagonists, France, the U.S and UK, are fully aware of what is at stake. The French and others are fighting to repel U.S penetration and to reduce U.S economic and financial preponderance. Sterling is in the midst of the battle but the UK is not acting independently; sterling is an outer defence of the dollar, supported at present by the Americans because it suits them, but immediately expendable once this is no longer so.

In analysing recent developments, let us begin by recalling the main features of present arrangements. In 1934 Roosevelt fixed 35 dollars an ounce as the price of gold: that is to say, at that price the U.S Treasury will buy all gold offered to it and similarly will sell gold against all dollars offered by official holders, *i.e.* foreign central banks. The dollar is thus a convertible currency based on gold. Until around 1960 foreign holdings of dollars were not large, because the U.S had a considerable surplus on its balance of payments and it was not easy for foreigners to earn dollars. Those who did were prepared to hold them since their assured convertibility, on the basis of U.S gold reserves of over 20 billion dollars, made them as good as gold.

However, the U.S balance of payments moved into deficit. On exports and imports of goods and services a surplus has been, and still is, maintained. But this has been too small to pay for American private investment abroad and U.S government foreign spending for military and 'aid' purposes. The overall deficit figures have been \$2.8 billion in 1964; 1.3 billion in 1965; and, based on nine months of the year, an estimated 1.2 billion in 1966.

The reduction in the deficit in the past couple of years has been achieved by resort to expedients. American business has been asked to exercise 'voluntary restraint' in foreign investment and it has reduced its outflow of

dollars. As, however, its total spending on new plant and equipment in foreign countries is expected to rise this year by 20 per cent to \$9.2 billion, the Americans have been financing this by borrowing within the foreign countries concerned.

Thus they have been building up their ownership and business activities abroad by increasing their dollar obligations. The American authorities have pressed foreign holders of dollars not to exchange them into gold and deplete the U.S. reserve, which has now fallen to about \$13 billion, so that *in practice* the dollar has become less and less a truly convertible currency.

French Resistance

The French case is that these arrangements amount to financing American penetration by the issue to foreigners of paper dollars. To resist, they insist on turning their dollars into gold. Given American reluctance to see their gold reserves further reduced, this has the effect of restraining U.S. possibilities of foreign investment. Incidentally, we say 'the French case', as a convenient form of expression, but of course the French viewpoint is shared by the West Germans and other important industrial countries. These others are less vocal than the French but they support them, largely by 'dragging their feet', against U.S. pressures.

The position of sterling is in important respects similar to the dollar. The UK also spends heavily abroad for military purposes. The British capitalists also export substantial sums for foreign investment. But Britain's case is worse in that its visible trade balance is not as strong as the American and its reserves are very small. At end-January they were officially reported as £1,118 million, but as this represents the reserves of the whole sterling area, not just the UK, and as Britain owes the International Monetary Fund £861 million, of which £317 million is due for repayment this year, the sum is woefully inadequate for a true discharge of the reserve function. Sterling in fact has been sustained during the last two years only by the willingness of the leading foreign central banks to extend short-term loans. Their interest in doing this was that a collapse of sterling would have disrupted world trade and finance, and set in motion forces threatening the dollar. But of course they are not ready to underwrite sterling indefinitely and unconditionally.

Really to strengthen sterling, as against making a temporary show of strength by borrowing for the reserves, the British government would have to cut severely its overseas spending and reduce the outflow on capital account. It has not seriously tried this however and we should not expect otherwise, given the nature of British imperialism.

The Government's real policy has paralleled that of the Americans, which has been to try to introduce new international monetary arrangements which will provide them with the finance for continuing their policies of military and economic penetration. These objectives of U.S. and British policy underlie all the ingenious schemes for new international credit units, changes in the rules of the International Monetary Fund, etc.

The French, leading the opposition, have said that all these new ideas can be considered—but first the U.S. and UK deficits must be ended. This is a neat way of creating a deadlock. The French have the edge since, so long as the

deficits continue, the U.S. and UK are vulnerable to financial pressure, in particular through the taking of gold from the U.S. reserves. The essence of the battle is really political—are the U.S. imperialists to dominate or are they to be resisted?

All the financial arguments reflect political differences which are world-wide, not confined to a small group of industrial countries. The colonial and semi-colonial territories face increasing difficulties in earning the funds to cover their obligations on loans already incurred, to pay for current imports, and to finance further capital investment to develop their economies. As their difficulties intensify, their economic and political stability is affected. Their peoples are stirred more and more into struggles threatening the hold of imperialism. For example, the economic pressures in India are being reflected in the disintegration of the Congress Party and the development of a new fluidity in the political situation. The Americans attempt to preserve equilibrium by supplies of wheat and the deployment of naval power in the Indian Ocean but nevertheless the storm gathers.

The U.S. imperialists cannot find a solution to the contradictions of the situation. The more they strive to curb the national liberation struggle and expand their overseas penetration, the more they overstrain themselves and generate financial weaknesses. These weaknesses sharpen the inter-imperialist struggles as the countries, like France, which are in a position to take advantage of the difficulties of their rivals, do so; and these struggles weaken imperialism as a whole. On the one side the imperialists try to solve their problems by increasing resort to repression and aggression and this leads, on the other side, to the movements of popular resistance growing in strength.

French Pressure

The position the French have taken up is a strong one, and it is not easy for the Americans to find a suitable countermove. So long as the Americans are in deficit, the French oppose all suggestions for new financial arrangements which would enable the Americans to finance their deficits and continue the policies which cause them. If the Americans wish to eliminate this French pressure, they must eliminate their deficits. But this means retreating in Vietnam, limiting their world-wide military expenditures, and ending their economic penetration, particularly in Europe which has been a preferred field of American investment because of the profitability of exploiting its skilled labour and developed markets. This would amount to abandoning the drive for expansion and exploitation which is the essence of imperialism. De Gaulle was quite explicit over the issues between France and the USA. In his last press conference, the U.S. was forthrightly condemned over Vietnam. Disruption of NATO and talks with the new West German government show de Gaulle's determination to oppose U.S. military hegemony. On British entry into the Common Market, he has raised the question of Britain's 'special relationship' with America, of the role of sterling, of the 'East of Suez' policy and has, in effect, made clear that the Common Market must be a European grouping resisting U.S. domination, not a grouping knocked together to facilitate it.

The semi-official French suggestion to ease international monetary difficulties by doubling the price of gold is an application of this line. It has obvious commonsense appeal: all prices have increased since 1934 and the U.S. insistence on keeping the price of gold at the 1934 level does mean that the world's stock of gold cannot bear the same relationship as formerly to the volume of trade and payments. If the price of gold were doubled, the value of U.S. reserves would be doubled and so its existing liabilities could more easily be met. But this apparent concession to the U.S. is the other side of a requirement which would put tight fetters on its future freedom of action, namely that future international debts be settled in gold. No longer could the U.S. sustain its policies of military and economic penetration by issuing paper dollars. And as it could not for very long sustain them by paying in gold, it would have to retreat from these policies.

These are the conflicts which underlie the Battle of Gold.

WORKERS AND WAGES IN BRITAIN

Eight months have passed since Wilson's July measures. Their effects have been what we expected. The credit squeeze, higher taxes and interest rates have curtailed production and increased unemployment but brought some improvement in the balance of payments.

This 'progress' is however precarious. In deeds, as opposed to talk, the Government has done little to remedy the principal causes of weakness in the balance of payments. Its overseas spending goes on. The Germans have made no concessions over the costs of the Rhine army. The 'East of Suez' policy continues. There has been only a little tinkering with marginal spending—the axe has fallen in Malta to save a few million a year (a saving within the sterling area, be it noted, not in foreign currency) and overseas students in British universities are to have their fees trebled.

Private investment abroad also continues, although the *net* position on private account (*i.e.* British outgoings less foreign investment inflow into the UK) may now be looking somewhat stronger. The Government has made strong efforts to attract foreign investment. It was reported last year that the British Embassy in Washington had approached 600 American firms inviting them to invest in Britain. Chrysler's recent takeover of Rootes' which puts half the British car industry into American ownership, was a spectacular example of this process.

The immediate gain to the balance of payments from foreign investment in Britain is, of course, offset by the subsequent annual drain, as the foreigners take the profits from their investment. The short-term gain is followed by a long-term weakening. It is a policy of eating the seed-corn.

As the main burdens on the balance of payments have not been appreciably lightened, its apparent improvement results only from the squeeze on the workers, causing reduced economic activity and imports. Given the Government's objective of maintaining capitalism and its consequent inability to change basic foreign and economic policies, the squeeze is the only line it can follow. How does this relate to Wilson's promises to

strengthen Britain? The capitalists are cutting back on investment (which this year is expected to fall 10 per cent below 1966) because of the squeeze. Wilson has made nonsense of his election oratory about modernising Britain and rewarding those who earn money as opposed to those who make it.

Whatever his failures in strengthening the economy, however, Wilson has shown adroitness in putting his policies over. It is essential to assess carefully and realistically what is being done if the workers are to gain the understanding and initiative to resist the attacks on their standards.

The wage-freeze has caused criticism and grumbling. There have been some actions against it, and some workers have in fact secured increases. *But by and large the freeze has operated.* The Government never seriously expected that everyone in Britain would completely observe the freeze. What they wanted was that, in practice, exceptions should be few enough and unimportant enough to leave the freeze intact in general. In this they have succeeded.

There has been strong feeling and some sporadic fights over unemployment. But here again the Government's policy has in the main prevailed. Employment in the motor industry, for example, has been cut despite all the protests and parliamentary lobbying.

But the Government's success does not reflect support for its policies. On the contrary, the workers are deeply critical and cynical about them. The Government has so far succeeded because the great majority of the trade union leaders have either accepted the Government's case and held back opposition to it, or have been very limited and ineffective in their opposition.

Government Tactics

Encouraged by what it has managed to get away with to date the Government is at present engaged in testing reaction to various ideas to see how best it can maintain the squeeze in the future.

Hence there are discussions whether legal powers of restraint should be continued; whether the TUC and CBI should reach some agreement over wage policy; what should be the role of the Prices and Incomes Board; what should be the 'norm' or 'guiding light' in the future.

These discussions are intended to create an atmosphere in which the Government can win acceptance of their main ideas. First, that Britain's economic necessities make a continuation of some form of wage-restraint essential. Second, that this should be operated by 'voluntary' means. Third, if the majority accept 'voluntary' restraint, compulsory legal powers should be retained since it would be 'unfair' to let a minority win increases in disregard of this.

The Government's main aim is to secure acceptance of the first idea. Given that, it does not much matter whether wage-restraint is implemented by 'voluntary' or compulsory methods. *Indeed the fact is that wage restraint can be obtained only through voluntary methods. Legal action can be taken against a few dissidents while the majority accept restraint but no compulsion could be effective against all the workers if they resisted. Wage restraint essentially depends on*

voluntary acceptance. Thus, the object the Government has in mind is to win acceptance of the principle of wage restraint, on the grounds of the national interest. If in the end this is applied 'voluntarily' and not by law, this will be represented as something of a 'victory' for the workers. Yet for the Government the relinquishment of legal compulsion in exchange for 'voluntary' acceptance of wage restriction is a piece of trading like the early imperialists' offer of glass beads to natives in return for their land and resources.

If we appreciate that these are the Government's tactics, the right basis for opposition becomes clear. *First we reject the argument that Britain's difficulties can be solved by wage restraint.* The difficulties arise from the inherent nature and situation of British imperialism, currently expressed in its subservience to the USA, its inflated Government spending overseas, its export of capital and reluctance to invest in British industry. If British exports are not sufficiently competitive with those of other capitalist countries the reason is not the high living standards of the British workers.

Increases in UK wages have by no means been excessive compared with those in other countries but the UK capitalists advanced their export prices more than anyone else except the Americans. It is worth noting that the Japanese capitalists were able to accompany a 13.2 per cent increase in hourly earnings in manufacturing industries with a 2.2 per cent reduction in prices in the period 1965 to mid-1966.

Widening the Struggle

If once the case for wage restraint is rejected, the question of voluntary or compulsory methods of application is irrelevant. The workers' struggle must not be on this issue which is a diversion, but against the whole concept of wage-restraint, *i.e.* of asking the workers to pay for imperialism.

The workers have to struggle not merely over wages. The Budget is approaching. All the indications are that government expenditure will be substantially up while revenue, because of the slowing-down of the economy, will lag behind. The Government will have to increase either its taxes or its borrowing, with the former more likely.

Here, too, the Government has been trying to test opinion, to gauge the political reaction to various possible lines of action.

Its main objective is clear—to increase taxation on the people and by demagoguery divide up the potential opposition. Some tinkering with the social services seems likely; for example, making some adjustments to family allowances and children's income-tax reliefs which will hinder people from seeing the final result as an increase in the tax burden and dividing the people by giving to some and taking from others.

We cannot anticipate in detail what may be coming along, but we believe that this is the essence of the Government's taxation intentions; to increase the burden on the workers in a way which divides them and minimises their resistance. The response must be to fight the Government's aims and demand that the imperialists bear the burden of their policies.

It is important to understand the manoeuvres over British entry into the Common Market. In our previous *Current Review* it was pointed out that at this stage actual British entry was not feasible but the *talk* of British entry

was intended to influence the balance of forces within the Market and its relationship with the USA. We should note, however, how, in the course of the recent talks, the Government has begun to show its hand on certain issues, notably on agriculture.

At present we import about half our food, largely from the Commonwealth, at world market prices. We grow the other half at home and pay British farmers a subsidy to meet the differences between their higher costs and world prices. Entry into the Common Market would require us to charge duty on agricultural imports from outside the Market, thus effectively ending our purchases of food at world prices. Instead we should have to take our supplies from Common Market sources at their much higher prices. The British farmer would no longer receive a subsidy and would have to cover his costs by charging higher prices.

Forecasts vary of the cost of switching import sources in this way but the Government talks of an addition to our import bill of £250 million a year. This would be an incredible additional strain on the balance of payments. But the real effect may be even worse, because reduced British buying from the Commonwealth is likely to cut their buying from us, so reducing our exports.

Deliberately to push up the price of the people's food in this way is another demonstration of the complete unconcern of the Labour Government for the interests of the British people, underlining its dedicated servility to its U.S. overlords.

In this situation of imperialist strain and stress the workers' struggle needs to be built around

- Complete rejection of the wage-freeze.
- Reduction of the tax burden on the workers
- Ending the U.S. stranglehold on Britain.

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The source of the figures used in this article is the *Bulletin of the National Institute of Economic and Social Research*, November, 1966. This article was written in the latter part of February.

DISCLAIMER

A NUMBER OF READERS have made enquiries about the note on *The Marxist* that appeared in *The Observer* of February 12. We therefore think it well to state that the passage in that paper concerning the Chinese cultural revolution and Mao Tse-tung does not represent the opinion of *The Marxist*.

UNITY OF THE LEFT

by Tom Hill

CAPITALIST SOCIETY, in which a ruling class exploits others, inevitably gives rise to conflicts of interest. The resulting class struggle is an objective phenomenon. The attitude of the exploited towards it reflects their own degree of consciousness and understanding.

Their attitude can reflect one or other of three lines!

- (a) The line of avoiding struggle, of accepting the requirements of the ruling class. This is capitulationism.
- (b) The line of fighting in defence of their interests on questions such as wages and conditions, but not challenging the fundamental structure of society. This is reformism.
- (c) The line of linking up the fight on immediate issues with the fight for the overthrow of the ruling class and the revolutionary transfer of power to the working class. This is the Marxist attitude.

It is in relation to these different lines that Marxists see the question of unity.

Unity is not something which is necessarily good in itself. The aim determines the kind of unity which is necessary. Marxists want maximum unity for the purpose of ending an exploiting society. In accordance with this they have to determine concretely, stage by stage, situation by situation, the scope and nature of unity that serves this end.

Unity of what forces for what objective, that is the question. In assessing this certain basic questions have to be determined. (a) What is the objective, (b) Who is the main enemy, (c) What is the main force, (d) What are the reserves (potential and actual) of ourselves and the enemy.

Our objective is a socialist state. It will be established through the democratic dictatorship of the working class. Our immediate enemy is the British capitalist class, although we take full account of today's conditions in which the U.S. imperialists are the buttress of exploitation all over the world. Between the working class and the capitalist class are the middle classes made up of various strata with different interests. From these strata the two main classes draw their reserves. The middle classes are concerned with their own interests on specific questions, but on the fundamental polarisation of society between workers and capitalists, they must, in the last resort, side with one or the other. They cannot be regarded as a leading force, but are important as allies. The working class is the main force because its interests can be fully achieved only by the overthrow of the capitalist system.

The potential strength of the working class can only be turned into actual strength when the majority of workers have been won for unity around one effective leadership and have thrown off the influence and ideas of the ruling class which holds them back from struggle against the capitalist system.

Reformist ideas have been an indispensable means of restraining the worker from attacking capitalism. They can be analysed into three vari-

ations on the basic theme: (a) the ruling class disseminate the idea that unlimited reforms are possible within the capitalist system and therefore a struggle for its overthrow is unnecessary. (b) as class conflicts in society become sharper and this idea becomes less credible to the working class, a variation is put forward which says that capitalism cannot deliver the goods, and that socialism is necessary, but this will be established peacefully by electing sufficient workers' representatives to Parliament to pass legislation which will gradually establish a socialist society. Providing that the people will fulfil their constitutional duty by voting for the right people when required, they can leave the rest to Parliament. This theory accepts ruling class propaganda which maintains that the state is neutral, and can be made to work for 'us' instead of 'them'; (c) a further development of reformist ideas is the one which admits that the capitalist class will offer resistance, but says that mass pressure will be needed to back up parliamentary legislation aimed at *transforming* the state from one which serves the interests of the capitalist class into one which serves the interests of the majority. The idea that the state is neutral is still contained in this variation. The Conservative and Liberal parties propagate the ideas contained in (a); the Labour party is the chief exponent of the ideas contained in (b); the Communist party has revised Marxist teaching on the state, and is responsible for the ideas contained in (c).

Attitude to the State

In their attitude to day to day struggles the advocates of reformist and revisionist ideas limit their demands to those obtainable within the existing system. They accommodate themselves to the system. What distinguishes Marxists from reformists is the attitude which they take towards the state.

Marxists believe that the capitalist state can only be used in the interests of capitalism, and that it cannot be transformed. It must be destroyed, and a new kind of state developed which will serve the interests of the working class, and hence the majority, in a manner which the old machine cannot do.

A state which exercises the rule of the majority over the minority must be of a completely different kind from the one which enables the minority to rule over the majority. Our attitude to this determines our attitude to day to day struggles. All our activities must be carried out with regard to our aim of revolution. The line of Marxists in a particular struggle must depend on the state of organisation, militancy, and political understanding of the people involved. Armchair 'Marxists' may work out what appears to be a theoretically perfect line, but if it neglects to take into account the feelings of the people involved, it will fail. It is not the task of Marxists to 'liberate' the working class, but to assist the workers to liberate themselves. Class struggles will not spontaneously lead to Marxist understanding. Equally Marxist understanding cannot be introduced into the working-class movement by 'theoreticians' divorced from the struggle, imparting their pearls of wisdom to the unenlightened. Marxism must come from outside (i.e. outside the particular struggles); from a political leadership which is itself closely identified with the workers struggle. It must be developed as a

guide to action in the struggle, constantly relating the immediate class demands to the revolutionary objectives of the working class.

It is in the development of mass struggle based on Marxism that reformism will be defeated. Marxists have consistently described the Labour Party as a capitalist party, and the practical experiences of the working class under a Labour government are showing the truth of this. The Labour Party's basic contradiction is between its predominantly working class membership and support, and its anti-working-class policies. To expose this contradiction we must consistently and patiently explain, on the basis of people's own experience, how the Labour Party is concerned with the maintenance of the capitalist system, which now means a worsening of living standards for the mass of the people. The familiar argument, that workers should vote for a Labour Government because things would be worse under the Tories, is receiving heavy blows as it becomes evident that the Labour Government is reducing living standards in a way that the Tories would have found impossible without encountering bitter resistance. We must at every opportunity assist the development of struggles, large or small, which seek to resist these attacks. An intensification of these struggles, even simple economic ones, will increase the contradiction between the Labour Government and the people and serve to rid the workers of some of their illusions. Encouragement of mass contracting out of the political levy in the trade unions is one way of beginning to detach the working class from the Labour Party. The recent decision of the pottery workers union to do this is a significant development.

Right and Left Social Democrats

The attitude of the Communist Party is that, while it recognises the reformist character of the Labour Party, it maintains that it has this character only because the leadership is in the hands of the right wing. Basing itself on this assessment, the Communist Party propagates the idea that what needs to be done is to organise pressure so that the right wing will be defeated and the left wing placed in the leadership. Campaign after campaign has been waged over the years in an endeavour to change the Labour Party in this way, but without success. Marxists have always maintained that 'lefts' as well as 'rights' are still only social democrats, and experience has shown that to substitute one for the other will not make any difference to the basic political position of the Labour Party. If this were the full story it would be bad enough but the attitude of the Communist Party in its campaigning to change the Labour Party has had the effect of strengthening the idea that the Labour Party is not only a working class party, but *the* working class party in Britain. This has been a big factor in contributing to the continued hold of social democratic ideas on the working class. The adoption of *The British Road to Socialism* was a major step in formalising the reformist position of the Communist Party. The policy of 'Unity of the Left', adopted at the 29th Congress, was a further step along the road of capitulation to social democracy. A basic assumption of this policy is that, to obtain unity around a broad programme of reforms, there should not be any criticism of the basic ideology of the social democrats.

A study of documents, speeches and resolutions, both those accepted and those rejected, by the 29th Congress will prove this assertion. All resolutions and amendments which sought in any way to initiate a critical evaluation of social democracy were opposed by the platform and subsequently defeated. The Communist Party policy is based on an incorrect analysis of the character of the Labour Party. It denies the leading role of the working class and, most important of all, denies the importance of waging an ideological struggle against the continued penetration of bourgeois and reformist ideas into the movement. The fact is that even when there is unity for specific immediate aims it is necessary to strive for correct political ideology if the workers are to fight effectively. Unprincipled unity amounts to denial of class struggle.

A recent example of this 'respectability' was the conduct of Dick Etheridge, a member of the Executive Committee of the Communist Party and convenor of shop stewards at BMC who, whilst taking part in a lobby by car workers at Brighton, dissociated himself from their action in booing a cabinet minister. Etheridge said 'It is not the policy of BMC. Stewards to boo people *who are in parliament*. We did not do it to the Tories, and we are not going to do it to Labour. *We came up to discuss things and influence things*'. (*Times*, November 1966). His influence proved of little weight; BMC carried, through all its dismissals.

A lobby should, at the very least, be used as a means of showing the workers the calibre of the people who are supposed to represent them. At best it should be a mass demonstration of workers who are prepared to back the demonstration by action at the point of production.

The policy laid down in the *British Road to Socialism* and *Unity of the Left* has led the party so far along the road of constitutionalism that the organised strength of the working class is being neglected in favour of strictly constitutional forms of pressure.

The decline in support for the Communist Party on the industrial front, and the continual decline in the number and strength of its factory branches, are other indications of where this policy has led. The Communist Party's situation shows how unprincipled 'unity', as a tactic, leads to unprincipled compromises, which in turn lead to complete submergence in a 'unity' which abandons Marxism and so betrays the workers' interests.

Unprincipled Unity

The Communist Party calls those who reject such 'unity' secretarian. We do not accept that the alternatives are either unprincipled 'unity' or sectarianism. The Communist Party over the years has been guilty of both these errors. Those who advocate Marxism must not repeat their mistakes. In eliminating reformist ideas we should remember what Lenin said, 'Only he is a Marxist who extends the recognition of the class struggle to the recognition of the dictatorship of the proletariat'.

It is possible to be class conscious and yet not to be a Marxist, but it is not possible to be a Marxist unless one is class conscious. The raising of the level of class consciousness and class solidarity is one of the essential steps

towards heightening the political level of the working class. The majority of the working class are class conscious in the sense of being aware that they are of a different class to those who own the means of production. They are not so class conscious in the sense of appreciating that widespread class solidarity is needed if they are to protect their own interests. Even quite militant workers tend to see their factory organisation as the limit of their responsibility. This is partly the result of the post-war situation in which a strong organisation at factory level has been able to extract better conditions from the individual employer without the assistance of the official union machinery. This process, known in the capitalist press as 'wages drift', is now being slowed down as a result of the prices and incomes policy and the tightening economic situation. The outlook therefore is one in which the workers are demanding a closer tie-up between factories, and greater pressure on the official union machinery to put forward claims on their behalf. We should support both these aims.

Support for these aims is not yet very widespread because of the confusion which exists. This confusion is due to three main causes. (1) Disillusionment with the Labour Government, which the workers were led to believe would do so much for them. (2) The line-up of the government, the employers, the main political parties and the trade union leadership seems to be too strong a combination to fight. This should not be interpreted to mean that there is no fight going on in the factories; there are fights, and quite bitter ones, but not on the scale that the objective situation demands. (3) The effect of the sustained campaign, by all forms of mass propaganda, to convince the working class that the government measures which are worsening their standards are only temporary, and actually in their long-term interests. The ideas which foster this illusion and are presented in the propaganda around such issues as 'balance of payments', 'stability of sterling', 'avoiding mass unemployment', 'keeping prices down', etc. must be challenged and defeated in order to make struggle effective.

In addition to this anyone who combats the acceptance of these capitalist policies is an ally in the struggle, even though they may be reformist in their conscious viewpoint.

How to Unite

Rank and file committees are beginning to spring up in some parts of the country. Some of them are reformist in the sense that they do not see any other perspective than that of greater unity for the sole purpose of obtaining better conditions within the existing system. Some of them are infected with syndicalist ideas which we cannot agree with and must be opposed. These ideas, however, do not constitute the main danger at this stage. Therefore we should unite with all these forces in order to assist the development of class struggle. In the course of the struggle against the employers we must also struggle against the bourgeois and reformist ideas which will prevent the workers from taking the struggle forward to more fundamental aims, i.e. consciously relating immediate class struggles to the eventual revolutionary transformation of society. The manner in which we struggle against bourgeois and reformist ideas within the working-class movement is

different from the way we conduct our struggle against the employers. Argument about ideology carried on in a comradely manner in the course of joint struggle against the employers will lead to greater and strengthened unity.

Experience of organisations such as the National Council of Shop Stewards should warn us of another danger, namely assuming revolutionary resolutions at a meeting to be substitutes for painstaking work on the factory floor. The experienced comrades should endeavour to pass on to younger and less experienced ones sensitivity to the needs and aspirations of the workers, and the ability to translate these into practicable demands. We must also learn how to link our political aim with the workers immediate ideas of struggle so that Marxist ideas become their property. This will prevent us falling into the error of relying on spontaneity and lagging behind workers rather than being in the lead.

What has been said of workers is also true of other classes who are feeling the pinch of capitalist policies. As long as their demands are not at variance with the interests of the working class we should encourage them to struggle for their interests, because, whatever their subjective ideas may be, they are objectively struggling against capitalism, and are accordingly allies of the working class.

When they take up struggles which are against the interests of the working class we must attack them. There may be times when it is necessary for the working class to make tactical concessions in order to establish a basis for wider unity, but this must not be at the expense of sacrificing or toning down on fundamentals.

Every struggle must be widened into one which will bring nearer the final struggle—the struggle to end the exploiting society itself.

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ON MARXIST STUDY

by William Ash

MARXISM IS SCIENTIFIC SOCIALISM. It is concerned with discovering the laws of social development for the purposes of changing society itself. It is concerned as well with the laws of nature because in their intercourse with nature to meet their material needs men also produce their social organisation.

The physical and social sciences which have developed in bourgeois society are not linked in this materialist way and tend to be entirely separate branches of study. The physical sciences are either 'pure' or 'applied', and a scientist has to choose whether he is primarily interested in abstract theory or practical application. This distinction reflects the division between mental and manual labour which is characteristic of all societies divided into classes. The social sciences achieve a spurious objectivity by ignoring these class divisions in order to conceal their own class bias. Since class opposition is the motivating force of history, bourgeois social sciences are thus incapable of dealing adequately with the real process of social change at any stage of human development.

Marxism differs from these sciences in two fundamental ways. For Marxists to accept the distinction between 'pure' and 'applied', between theory and practice, would be to accept the methods of procedure that belong to the very society they intend to change. Every Marxist is at once theoretician and practitioner. He does not simply want to *know* about the world and society; he wants to know in order to *act* on them effectively. The intention to change society keeps knowledge practical and the practice of working for social change adds to the store of knowledge. Social practice is at every stage both the goal and test of knowledge. Furthermore, in this social practice Marxism openly declares its class nature. It puts itself at the service of the proletariat and, in doing so, identifies itself with the social force capable of changing society. These two characteristics, the unity of theory and practice and the declaration of class commitment, distinguish Marxism from all other philosophies which have merely wanted to interpret the world in various ways when 'the point', in Marx's famous phrase, 'is to change it'. This change to which Marxists are dedicated is the revolutionary transformation of society. The basis of class distinction is the division between exploiters and exploited as established by the relations of production in a given society. The only way in which exploitation can be ended is by the revolutionary overthrow of the class rule of exploiters by those who are the victims of exploitation, thus altering fundamentally the relations of production. This overthrow necessarily involves the smashing of the state representing the interests of an exploiting class and the setting up of a state representing the interests of the working masses, the substitution for the dictatorship of the exploiting class of a dictatorship of the people under proletarian leadership, a dictatorship which remains in being till classes have

finally disappeared. Marxism is the science of this revolutionary change. Studying to be Marxists is studying to be revolutionaries.

Some people who *call* themselves Marxists attempt to revise Marxism in such a way that this perspective of revolutionary change is played down or eliminated. When such people, either from cowardice, laziness or the corruption of their thought by the ideas of a ruling class opposed to change, try to come to terms with society as it is, the result is revisionism, not Marxism at all. Revisionism is the bourgeoisification of Marxism; and in the British context it means the substitution of a perspective of gradual change under conditions laid down by the exploiting class for the revolutionary overthrow of that class.

A communist party, as the embodiment of Marxist principles, becomes the vanguard of the class potentially capable of changing society by supplying the revolutionary theory without which, in Lenin's words, 'there can be no revolutionary movement'. 'Material power', Marx has said, 'must be overthrown by material power—yet theory, too becomes material once it conquers the masses'. Mao Tse-tung makes the same point. 'Once the correct ideas characteristic of the advanced class are grasped by the masses, these ideas turn into a material force which changes society and changes the world'. But if such a party, like the Communist Party of Great Britain, is wholly dominated by revisionist ideas and has abandoned a revolutionary perspective, it cannot be the vanguard of the working class, it can only tail along behind. It cannot encourage Marxist study, for such study would expose its own betrayal of Marxism. It can only involve its membership in a perpetual round of trivial tasks to keep them from thinking for themselves—a completely sterile practice which bears no relation to revolutionary theory.

Unity A Theory and Practice

Because revisionism is bourgeois in nature it revives the distinction between theory and practice which is characteristic of bourgeois study. It prompts the development of 'Marxist' intellectuals who do the thinking for the rank and file membership; and this 'thinking' is unrelated to the practical problems with which that membership is confronted in the course of struggling for socialism while living in a capitalist society. Revisionists argue that workers *need* such intellectuals. This is not Marxism. Intellectuals who claim to be Marxists *need* to identify themselves with workers; and workers *need* to become intellectuals in their grasp of revolutionary theory. The unity of theory and practice which is a cardinal feature of Marxism requires of Marxists the attempt to eliminate the distinction between workers and intellectuals. 'When,' Mao Tse-tung writes, 'in addition to reading some Marxist books our intellectuals have gained some understanding through close contact with the masses of workers . . . and through their own practical work, we will all be speaking the same language. . . . the common language of the communist world outlook'.³

Marxist study has two forms of subject matter dialectically related to each other. First, the basic theoretical works of Marx, Engels, Lenin, Stalin and

Mao Tse-tung which must be read and reread, seriously, in order to comprehend as thoroughly as possible revolutionary theory. These Marxist classics are themselves examples of the unity of theory and practice, for although theoretical in form they sum up the lessons of past social practice, the experiences of the greatest exponents of Marxism, and these lessons have as their only meaning their usefulness in guiding future social action. Through the study of these works Marxists systematise their own experience and raise it to the level of theory. 'Only then,' Mao says, 'will they not mistake their partial experience for universal truth and not commit empiricist errors.'⁴

The second form of subject matter for Marxist study is the concrete situation in which students of Marxism find themselves. This situation has to be analysed and understood by applying to it the theoretical method of dialectical materialism as set forth in Marxist texts. This method is universally applicable; but the concrete situation is continuously changing and therefore different conclusions about the potentialities for change in a given situation may be reached at different times. The need to reassess, for example, the respective roles of the urban proletariat in metropolitan countries and the liberation struggles of colonial and semi-colonial peoples in the revolt against imperialism does not indicate a failure in Marxist method (as bourgeois critics allege) but a change in objective conditions.

But it must be stressed that this second form of study applying the dialectical materialist method to concrete situations, does not follow the first either in point of time or importance. On the contrary, they interact on each other continuously; and, ultimately, it is application which always provides the proof both of whether theory is correct and of whether it has been correctly grasped. 'Reading is learning,' Mao points out, 'but applying is also learning and the more important kind of learning at that. . . . It is often not a matter of first learning and then doing, but of doing and then learning, for doing is itself learning.'⁵

Walking on Two Legs

The unity of theory and practice not only characterises each of these two forms of Marxist study but also describes the relationship linking them together. It is only by an appreciation of Marxist theory that one knows how to approach concrete situations; but it is only by being involved in concrete situations that one knows what to look for and how to study the Marxist classics. Theory and practice are the two legs on which every Marxist walks, and even to put too little weight on one or the other cannot but result in deviations from a correct line. 'It is necessary,' Mao says, 'to master Marxist theory and apply it, master it for the sole purpose of applying it. If you can apply the Marxist-Leninist viewpoint in elucidating one or two practical problems, you should be commended and credited with some achievement.'⁶

Under the influence of revisionism there has been a disastrous decline in both these forms of Marxist study. There has been no real attempt in recent years to organise study sessions around the basic Marxist texts with the result that party members are for the most part politically illiterate.

Nor has there been any consistent effort at stimulating the kind of Marxist analysis of British society today which would reveal the principal contradictions serving as the levers of social change. How could there be, when the CPGB is committed to a course of accommodating itself to society as it is now while hoping that one day it will peacefully transform itself into something else?

Class Identification

There is thus an imperative need for genuine Marxists in Britain to get down to serious study right away. What is meant by genuine Marxists? They are those who have both a passionate desire to change society and the confidence that it *can* be changed because they understand the contradictions in that society which can eventually be utilised to bring about a revolutionary suppression of the ruling class by a 'people's dictatorship led by the proletariat. They are *not* prepared to accept a social order in which hundreds of thousands of men can be thrown out of work just to preserve profits, in which racism, whether at home or in southern Africa, is openly supported or connived at, in which Britain has to endorse the barbarous acts of U.S. aggression in Vietnam, in which, to put the matter briefly, the grossest injustice at home or abroad immediately becomes Government policy so long as it benefits the ruling class. In finding this state of affairs intolerable Marxists are identifying themselves with the proletariat in Britain, with the oppressed people of Africa and with the heroic workers and peasants of Vietnam who are scoring such tremendous victories against the armed might of U.S. imperialism. This class identification on a worldwide scale, this proletarian internationalism, is the source from which Marxists draw their confidence. They know their desire for change will not be frustrated. As Marx has stated, tasks do not arise for men till the material conditions for their accomplishment already exist or are in the process of formation.⁷ The urgent task of changing our society means to Marxists that the possibility of revolutionary change must already be implicit in existing material conditions. There is no such thing as a non-revolutionary situation since Marxists, by acting one way rather than another in present circumstances, are always in some degree determining the possibility of future revolutionary change, though, of course, the revolutionary perspective varies considerably from place to place.

How, more specifically, do Marxists study? Methods of study are dictated by the purposes for which study is undertaken. The interest of Marxists in a book like *Capital* is to find the laws of development of capitalist society, to understand the contradictions to which these laws give rise and to discover how these contradictions can be exploited to negate the whole capitalist system in a revolutionary leap to another social system where new laws of development come into operation. Marx himself approved the description of *Capital's* scientific value as based on its 'disclosing the special laws that regulate the origin, existence, development, death of a given social organism and its replacement by another and higher one' and he described this as the dialectical method.⁸ Further, the reason for this coming into being and the passing away of social organisms is that no exploitative system

can avoid generating the internal contradiction of class conflict which eventually destroys it. As Engels puts it 'Economics deals not with things but with relations between persons, and, in the last resort, between classes; even though these relations may *appear* as things'.⁹

Capital provides us with a model of who does what to whom in class terms. And this is the question we have to ask of every economic phenomenon we are presented with today, whether it's a balance of payments problem, joining the Common Market, the wage freeze or anything else.

In the same article quoted above Engels goes on to explain the nature of relationships in dialectical language. 'Being a relation implies of itself that it has two terms, related to each other. Each of these sides is considered by itself, which brings us to the way in which they behave to each other, their interaction. Contradictions will result which demand a solution... We shall trace the nature of this solution, and shall discover that it has been brought about by the establishment of a new relation whose two sides we shall now have to develop and so on'. Mao Tse-tung describes Marxist philosophy as holding 'that the law of the unity of opposites is the fundamental law of the universe. This law operates universally, whether in the natural world, in human society, or in man's thinking. Between the opposites in a contradiction there is at once unity and struggle, and it is this that impels things to move and change'.¹⁰ Moreover, Mao says 'The fundamental cause of the development of a thing is not external but internal; it lies in the contradictoriness within the thing... Contradictoriness within a thing is the fundamental cause of its development, while its interrelations and interactions with other things are secondary causes.'¹¹

Handling Contradictions

This, then, is the major clue which guides Marxists in both forms of study. Whether reading the basic texts or enquiring into the nature of a concrete situation, they apply the method of dialectical materialism. That is to say Marxists pursue their study on the basis of understanding that reality is not static but ever-changing and that this change takes the form of 'one dividing into two', of everything developing inner contradictions which alter its nature. That is the dialectical element. As far as society is concerned, the contradictions which bring about changes are the struggles of classes. 'Some classes triumph, others are eliminated. Such is history, such is the history of civilisation for thousands of years.'¹² That is the materialist element in the study of society. These two elements together, dialectical materialism, make up the methodology of Marxist social study. The basic Marxist texts and the investigation of concrete situations are simply two sides of the same process of understanding. As Marx says of his own work: 'Of course, the method of presentation (the texts) must differ in form from that of enquiry (concrete analysis). The latter has to appropriate the material in detail, to analyse its different forms of development, to trace out their inner connection. Only after this work is done, can the actual movement be adequately described. If this is done successfully, if the life of the subject-matter is ideally reflected as in a mirror, then it may appear as if we had before

us a mere *a priori* construction'.¹³ That is, it may seem that purely abstract principles are being stated, but this is not the case, as can be proved by reapplication to reality. Both of these aspects of Marxist learning are governed by and can only be understood by the dialectical materialist method.

The crux of this method is the ability to handle contradictions. The clearest work on this subject, incorporating all previous developments of the method by both Marx and Lenin, is Mao Tse-tung's *On Contradiction*. The proof of its excellence is that not only workers and peasants in China but ordinary people all over the world are learning through this exposition to analyse and solve their day-to-day problems. All Marxists need to master this technique. As an Italian Marxist journal has put it: 'Just as in the stage of Leninism one could not be a Marxist if he were not a Leninist, so today one cannot be called a Marxist-Leninist if he does not master the thought of Mao Tse-tung'.

Two quotations from this important work provide the gist of Mao's practical expression of the dialectical materialist method. 'If in any process there are a number of contradictions, one of them must be the principal contradiction playing the leading and decisive role, while the rest occupy a secondary and subordinate position. Therefore, in studying any complex process in which there are two or more contradictions, we must devote every effort to finding its principal contradiction. Once this principal contradiction is grasped, all problems can be readily solved... and again 'Of the two contradictory aspects, one must be principal and the other secondary. The principal aspect is the one playing the leading role in the contradiction. The nature of a thing is determined mainly by the principal aspect of a contradiction, the aspect which has gained the dominant position. But this situation is not static; the principal and the non-principal aspects of a contradiction transform themselves into each other and the nature of the thing changes accordingly'.¹⁴

Collective Study

The dialectical procedure, by which Marxism both discovers the real relationships behind outward appearances and finds in the process of change of those relationships the key to changing society itself, suggests a further and very important point about Marxist study. Dialectics is the science of the action and interaction of related terms; and to study dialectical change correctly the very study itself must be dialectical in manner. This means that Marxist study ought to be collective. It is best carried out in a group where the play of ideas and the exchange of experiences among individuals take a dialectical form. This differs radically from the study of the bourgeois scholar who shuts himself away to resolve his ideas about the nature of reality in his own mind. 'In this world,' Mao says, 'things are complicated and are decided by many factors. Therefore, we should look at problems from different aspects, not just from one.'¹⁵ To get this many-sided approach and to avoid errors of subjectivism through criticism and self-criticism collective study is necessary.

There is another reason why the collective provides the right conditions for study. As has been pointed out, social practice is both the test and goal

of Marxist knowledge. 'Knowledge begins with practice', Mao writes, 'and theoretical knowledge which is acquired through practice must then return to practice.'¹⁶ Group study meets the requirements that Marxist investigation must be social; and if the group is not arbitrary but functionally united in work on the industrial front or in coping with practical problems arising from the material conditions, then the necessity of the link between theory and practice is met also. Marxists who find themselves grappling together with specific issues, whether in factory organisations, in tenant associations, in protest movements or in other groupings where some form of struggle however rudimentary, is in progress, should form study circles to deal with their problems. They have the advantage in this way of starting from an objective situation and of being able to take back to their practical tasks the theoretical results of their study. 'Concrete analysis of concrete situations,' Lenin has said, 'is the most essential thing in Marxism, the living soul of Marxism'.

Basis for Unity

Theorising in itself creates a fissiparous tendency in a study collective. Many anti-revisionist groups have experienced this splitting-apart effect of discussions about theory when there was no practice and no experience of struggle to test which theoretical conclusions were valid and which not. Practical struggle, on the other hand, which unites theory and practice, also has a uniting effect on the group involved. With a specific problem of a practical nature to solve, a basis for unity can always be found. Marxism exists to teach us how to solve practical problems.

'You can't solve a problem?' Mao asks. 'Well, get down and investigate the present facts and its past history! When you have investigated the problem thoroughly you will know how to solve it. Conclusions invariably come after investigation and not before. Only a blockhead cudgels his brains on his own, or together with a group, to "find a solution" or "evolve an idea" without making any investigation.'¹⁷ The only way to know conditions is to make social investigations, to investigate concrete situations from the point of view of class analysis. As a conclusion to this attempt to set forth some of the principles of Marxist study, the following quotation from Mao Tse-tung describes the organisation of a group for the purpose of such concrete analysis. 'A fact-finding meeting need not be large; from three to five or seven or eight people are enough. Ample time must be allowed and an outline for the investigation must be prepared; furthermore, one must personally ask questions, take notes and have discussions with those at the meeting. Therefore one certainly cannot make an investigation or do it well, without zeal, a determination to direct one's eyes downward and a thirst for knowledge, and without shedding the ugly mantle of pretentiousness and becoming a willing pupil.'¹⁸

One thing has been omitted from this account of Marxist study—a Marxist-Leninist party. Of course Marxist study ought to take place within the context of a British communist party and such a party would make Marxist study one of its principal concerns. 'Without a revolutionary party,

without a party built on the Marxist-Leninist revolutionary theory and in the Marxist-Leninist revolutionary style, it is impossible to lead the working class and the broad masses of the people in defeating imperialism.'¹⁹ But as yet we have no Communist Party in Britain and Marxist study cannot wait on its formation. We must get on with the task of learning to be Marxists as best we can, while keeping firmly before us the aim of establishing a Marxist-Leninist Party. When the ranks of Marxists in Britain are strengthened through the correct application of Marxist understanding *in the course of class struggle* this fusion of theory and practice will inevitably lead to the formation of a new Communist Party.

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BACK TO SQUARE ONE?

AT THE LAST CONGRESS of the London District Committee of the Communist Party, just after our first issue appeared, J. Mahon then District Secretary, said 'I do not like *The Marxist*'. In view of his record this was not surprising, and some comrades thought he could have said with equal truth that he did not like Marxism.

Nevertheless, when some weeks later the District Committee issued a long statement (some 3,500 words) attacking *The Marxist* many members of the Party were startled. No action by imperialism, no vilification of the Soviet people, no atrocity in Vietnam, no attack on the British workers, no threat to the peace of the world, had in recent years received such extended treatment. Why was it? The only answer seems to be that *The Marxist* threatens something much nearer home — the members and functionaries of the London District Committee itself.

Knowing the very small proportion of members that attends branch meetings, we shall not overestimate the importance of the statement, but we think we owe it to those who are disturbed by Party policy to pay some attention to it.

The Marxist criticised Soviet policies which enabled the U.S. to move troops from Europe to Vietnam. To this the London District Committee replies that any other policy would be provocative and 'would certainly be the means of enabling the U.S. to restore the crumbling NATO set-up, lead to a rallying of the reactionary forces in Europe, and encourage the neo-fascist revival in West Germany. At the very moment when the great majority of the people in Western Europe are seeking to loosen the bonds that bind them to the USA, such a move would have actually strengthened the American position and halted this progressive development.'

What a travesty of Marxism this is! We must not oppose imperialism because it is dying of itself! NATO is crumbling; don't disturb it! People are trying to loosen the U.S. bonds; don't offend them by helping. Leave reviving fascism alone; it won't last! These ideas are the very essence of the policy of 'peaceful transition' and the direct opposite of Marxism.

The Chinese have shown, both in the Pakistan-India conflict and in Vietnam, how to oppose the aggressor and tie down his forces without doing anything that the progressive and oppressed people of the world find provocative or unworthy.

Next comes an outright lie, which at least some members of the District Committee must have known to be a lie: 'the Chinese, having agreed to deliver a stated quantity of rice to Cuba in 1966, at the eleventh hour broke the contract'.

The facts, attested by both Cuban and Chinese documents, are that Chinese delegates negotiating the agreement said they had no authority to agree to provide Cuba with as much rice in 1966 as they had in 1965. They suggested that if so much was needed the matter should be taken up at a governmental level. They were perfectly willing to continue to supply rice

at what had previously been the normal level, and they have in fact done so. There was no question of breaking a contract because none had been signed.

The longest section of the District Committee's statement is an attempt to justify the policies of *The British Road to Socialism*. It criticises the statement in *The Marxist* that Parliament is simply 'a game of "ins" and "outs"'. This does not, however, seem an unfair paraphrase of Lenin's statement: 'To decide every few years which member of the ruling class is to repress and crush the people through parliament—such is the real essence of bourgeois parliamentarism' (*The State and Revolution*).

Next the CP complains that *The Marxist* has 'used' a speech by Lenin 'to bolster up the idea that the right wing elements in the Labour Party are reactionary...' Is this a new development—that we now seek to ally ourselves with those long-misunderstood progressives, the *right* wing of the Labour Party?

'The Communist Party,' continues the statement, 'has never regarded the Labour Party as one solid reactionary mass.' It has 'growing left wing influence'. Old political workers can scarcely remember a time when the Party wasn't hopefully assessing the growth of left wing influence in the Labour Party. Now, after all these years of 'growing', it is perhaps less than it has ever been. Neither the Labour Party nor the Tory Party is 'one solid reactionary mass'. Millions of workers, who must be won for Communism, vote for both of them. But *The British Road* will not win them.

Summing up its case against *The Marxist*, the statement says:

The Marxist has nothing to do with Marxism and the class struggle. Its policy is seen to be:

1. To claim for this sect the right of leadership of the British workers, while denouncing all other groups in the movement.
2. To propagate the Chinese line justifying the refusal to discuss joint efforts greatly to increase activity on behalf of the National Liberation Front in South Vietnam and of the People's Republic of North Vietnam; to join with the Chinese in slandering any socialist state which does not agree with their policy.
3. To reject all efforts to build left unity in the movement, particularly in the trade union movement, while refusing to indicate any alternative methods of mass activity.
4. To misrepresent the policy of peaceful co-existence of states with different social systems and speak of the almost virtual certainty of a third world war.
5. To reject the possibility in Britain of a peaceful transition to socialism without armed insurrection and civil war.

In answer to these five points we give the following answers:

1. *The Marxist* makes no such claim and denounces no-one who tries to apply Marxism in the working-class struggle.

2. This is a distorted view which would be corrected by reading the Current Survey in our last issue.
3. Our attitude towards left unity is quite different and is described in an article in the current issue.
4. *The Marxist* has nothing in common with those who accept the virtual certainty of a third world war; or with those who put forward a conception of "peaceful co-existence" quite different from Lenin's to supersede the basic principles of proletarian internationalism and unity of the anti-imperialist forces.
5. So far, in fact, we have not dealt with this hypothetical possibility, but concentrated in the pages of *The Marxist* on the realities of the foreseeable struggle in this country.

We would mention only one further point. Speaking of *The Marxist* the statement says:

'Like all sectarian groups, they want the movement to go back to square one and start anew under their leadership . . . This negative approach can only lead to inactivity and demobilisation of the left.'

Unfortunately, mainly owing to the policies of the CPGB, it is necessary to re-learn Marxism and, in this sense, 'to go back to square one', but in this sense only. 'Inactivity and demobilisation of the left' *already exist* as a result of the policy of playing down the class struggle in the interest of 'peaceful transition'. But the working class is capable of learning lessons. New leaders—and no one yet knows who they will be—need not make again the mistakes that the CPGB has made.



COPIES of the full statement of the London District Committee together with a more detailed rejoinder are available from the office of *The Marxist*.

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A FURTHER NOTE ON THE CULTURAL REVOLUTION

by Colin Penn

THE CULTURAL REVOLUTION is now entering a new phase. The first phase was one of struggle and confusion. There were denunciations and counter-denunciations; one group of Red Guards often confronted another and sometimes violence resulted. Accusations of wholesale massacres were printed in the world press but no eye-witnesses were ever found.

However, the Chinese people themselves are patiently sifting the true from the false. The tactics of the handful of people in high positions who have taken the capitalist road are gradually becoming clear. By encouraging workers to leave their jobs in order to 'take part in revolution' they have tried to disrupt production; by paying out unjustified money bonuses they have squandered state funds and encouraged the desire for material incentives; by disguising themselves as revolutionaries they have deceived some people. But such tactics cannot succeed for long because the masses of the people are determined to expose the 'monsters and demons', and more interested in the welfare of the state than in their own personal benefits, and have Mao Tse-tung's thought as their yardstick for measuring achievements.

So now the second phase is beginning, consisting of the coming together of a multiplicity of 'rebel' organisations whose members have convinced themselves, through struggle, where the truth lies. Acting in a revolutionary way, they are taking power in factories and organisations into their own hands and are resolutely implementing Chairman Mao's instruction to 'take hold of revolution and stimulate production', in other words, to see that both revolution and production develop side by side and that neither impedes the other.

Unity is beginning to be born out of struggle. Though it may still be distant, we can now begin to see the possibility of the unity of more than 95 per cent of the masses and cadres spoken of in the 16-Point Statement of the Central Committee of the C.P.C.

We urge those who feel dubious or disturbed to read this Statement again in order to confirm for themselves that all that is taking place was foreseen, and to read *Peking Review* for truthful accounts of events. Especially important are the New Year editorial from *Renmin Ribao* and *Hongqi* in *Peking Review* No. 1 of this year, and the article on revolutionary discipline by Hongqi Commentator in *Peking Review* No. 7.

In our last issue, on page 17, we said that Chairman Mao had led the Chinese Party and people for over twenty years'. This was a slip; we should have said 'over thirty years'.

The Chinese Communist Party of which Mao Tse-tung is a founder member, dates from 1921, and he was elected to lead it at the Tsunyi Conference in 1935.

* * * *

THE US CAPITALIST PRESS ON ETHERIDGE

DICK ETHERIDGE, a Communist who is not only the undisputed trade union leader in Britain's largest, but strike-bound automobile plant, but who also enjoys the far-reaching confidence of management

Mr. Etheridge is a man who combines his contradictions comfortably . . .

He says that since he has to live in a capitalist system he wants British Motor Corporation to make the biggest possible profit and pass most of it on to the workers; he claims to have prevented a great many more strikes than he has started. Management finds him a good man to work with. (*New York Times*, November 5, 1966.)

WE HAVE received several letters raising important questions for the future: how should Marxists organise in Britain? What is the next step? These are long letters and it would not do them justice to extract a few short passages. They are being given careful attention, however, and we propose to arrange for a presentation of the views in future issues.

We have also received letters welcoming *The Marxist* but taking up particular points. We are grateful to the writers and are in course of replying to them.

Readers are asked to keep letters *intended for publication* as short as possible as our space is so limited. It is also an advantage if the letters are self-contained, in the sense that the reader who does not have an earlier issue of *The Marxist* to refer to can still appreciate the points being made.

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LETTER BOX

DEAR COMRADE,

There is a view, which has some currency in the movement, that the Soviet Union is really a 'state-capitalist' society. The danger of this analysis is that it leads to the belief that there is no essential difference between United States imperialism and the Soviet Union.

The comrades who adhere to the theory of 'state-capitalism' depart entirely from a Marxist analysis of class. They argue that Soviet officials and bureaucrats are capitalists and to prove their case they point to limousines, country houses and long holidays. In their eyes wealth determines class. The fact that a Soviet bureaucrat does not differ in his relation to capital from the Soviet worker is to them irrelevant—the perks are what counts!

The theory of 'state-capitalism' is based on the idea that 'control equals ownership'. This is obviously incorrect—in a capitalist company the principal shareholders do not control and will only intervene if their returns do not meet their expectations. So in a capitalist concern there is a manager or administrator who controls but does not necessarily own. In the Soviet Union there exists a similar situation with managers and administrators controlling and directing affairs but not owning capital.

This is because the basic property relations in the Soviet Union are socialist ones. The bureaucrat, however large his wage, cannot invest, cannot own capital, cannot exploit. The activities of the Soviet bureaucracy are restricted to the acquisition of 'personal' property. This is, no doubt, a constant source of frustration—I imagine the bureaucracy would like nothing better than to be able to invest their spare cash in state enterprises. Not until they can invest, however, will it be possible to refer to them as capitalists.

It might be that the tendency to relax planning and the centralised direction of foreign trade can only lead to the strengthening of the bureaucracy and might possibly facilitate its blossoming into a capitalist class by way of state bonds and loans.

However, the major gains of the revolution remain in the shape of socialist property relations, and when we defend the Soviet Union it is these property forms that we defend. The idea that the Soviet economy is at present a capitalist one is totally in conflict with the facts—it is objectively a most reactionary argument and has little to do with Marxism.

The way in which we analyse the recent political and economic developments in the Soviet Union and Eastern Europe is extremely important. Without a detailed and thorough study, we will be unable to formulate a correct approach to the present situation or to understand any future developments.

Don Milligan.

We hope to print an article evaluating recent economic trends in the Soviet Union and Eastern Europe in the next issue of The Marxist.

Editorial Committee

LETTER BOX

DEAR COMRADES,

Mrs. Joan Robinson in her letter printed in *The Marxist* (January–February issue) maintains that what she calls an alternative employment policy could be achieved by tax cuts. How does she know? How does she know that the extra spending power would be spent? How does she know that if it were spent it would be spent on consumer goods and not antiques and old furniture? If it were spent on consumer goods how does Mrs. Robinson know that this additional consumption would not be met by a more efficient (i.e. a more exploitative) use of the existing labour force and machinery?

Finally, what is Mrs. Robinson going to do when she has cut taxes so much that there are no longer any taxes to be cut? What keynesian panacea has she thought of to cope with this situation?

Mrs. Robinson refers to the United States as a democracy! Perhaps she would be good enough to explain how it is that in this so-called democratic society a solution so simple, so humane, so obviously popular among the vast majority of tax-payers should have been discarded while the alternative of a long, bloody and costly war should have been chosen instead.

Mrs. Robinson wants you to use this fatuous argument because to do so would mean your making two important admissions. The first is that the u.s imperialists are prosecuting the war only because of their deep concern for the well-being of the American working class. This is the antithesis of Marxism-Leninism. The second is that by so doing they are actually acting in the interests of the American working class although not being properly trained in economics, they are not going about it in quite the right way.

In one of her rare moments of clarity Mrs. Robinson once wrote, 'If a man cannot produce in a day more than he is obliged to consume in a day then he is not a suitable object for exploitation!' This, precisely, is the reason for u.s aggression in Vietnam. For Southeast Asia is potentially a vast reservoir of surplus value. It is one of the most fertile parts of the world. So that instead of the Vietnamese people being allowed to use the surplus time made available to enrich their own lives, materially and culturally, in a free, socialist society they are to be made into slaves paying tribute to the United States, thereby permitting an extension of that tame mass of non-productive workers in the u.s who have been degraded into accomplices of the ruling class in its parasitism. More important than this, of course, in the eyes of the u.s. ruling class, is that successful exploitation of the Vietnamese people will allow further resources to be made available for yet more wars of aggression in other parts of the world.

Wallasey, Cheshire.

G Cummins

The Marxist welcomes letters for publication but asks correspondents to keep them as short as possible.

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