

In Britain Now page 4

Oil and Imperialism page 9

**Labour's
Insurance Scheme
—advance or deception?** page 18

Tenants' Manifesto page 20

**JULY 1969 Price 2s
NUMBER ELEVEN**

THE MARXIST

Contributions to the next issue of the Marxist which will be published in October 1969, should reach the editorial office (see address below) not later than August 28, 1969.

EDITORIAL COMMITTEE

Tom Hill
Frank Huscroft
Jim Kean

Colin Penn
Ron Peterson
Jack Tapsell

CORRESPONDENCE

All correspondence should be addressed to
Tom Hill
11 Barratt Avenue
Wood Green
London N22

SUBSCRIPTIONS

A remittance for 14 shillings will bring you six issues of the Marxist, post free. Single copies 2s 6d post paid. Overseas rates: Europe 25 shillings post paid; rest of the world 30 shillings post paid.

comment

ONLY A FEW SHORT MONTHS AGO the capitalist press was gloating over the apparent confusion and disorder into which (they said) the policies of chairman Mao had thrust the Chinese people.

The policy of relying less on the book knowledge of the experts, and more on the wisdom borne of the experience of the ordinary worker and peasant, was regarded as a kind of madness which would have to be cured if production was to maintain current levels, let alone show an increase.

The policy of striving to increase production without relying on material incentives was regarded as an attempt to fly in the face of human nature.

That students and intellectuals should have to undergo a period of re-education at the hands of workers and peasants, was hardly believable.

All their hopes and predictions regarding the collapse of the Great Proletarian Cultural Revolution received setback after setback as it swept to countrywide victory.

The Ninth National Congress of the Communist Party of China set the seal on this historic victory and ensured that the Thought of Chairman Mao will continue to be the theory which guides the Party and the people.

The Report to Congress given by Vice-Chairman Lin Piao outlined the struggle between the two lines inside the Party, and its significance in relation to the world wide struggle against revisionism.

In order to give a deeper understanding of chairman Mao's contribution to Marxist-Leninist theory and practice, he reviewed briefly the historical experience of the international communist movement.

In 1852 Marx said;

'Long before me, bourgeois historians had described the historical development of this

class struggle and bourgeois economists the economic anatomy of the classes. What I did that was new was to prove: (1) That the existence of classes is only bound up with particular historical phases in the development of production, (2) that the class struggle necessarily leads to the dictatorship of the proletariat, (3) that this dictatorship itself only constitutes the transition to the abolition of all classes and to a classless society.'

Marx's theory distinguished scientific socialism from utopian socialism and sham socialism of every kind. Lenin inherited, defended and developed Marxism in the struggle against revisionism of the Second International. The struggle focused on the question of the dictatorship of the proletariat. He stated;

'Those who only recognise the class struggle are not yet Marxists . . . only he is a Marxist who extends the recognition of the class struggle to the recognition of the dictatorship of the proletariat.'

The report goes on to show that because Khrushchev, Brezhnev and company have betrayed this principle they have changed the Soviet Union from a state of the dictatorship of the proletariat into a fascist state.

Mao's struggle against the 'new' revisionists

Now it is Mao who has inherited, defended and developed Marxist-Leninist theory. By summing up both the positive and negative aspects of the historical experience of the dictatorship of the proletariat, he has put forward the theory of continuing the revolution under the conditions of the dictatorship of the proletariat in order to prevent a capitalist restoration.

Two lines

The report shows that at the most crucial turning points, two lines contended. One aimed at consolidating the dictatorship of the proletariat and going forward to socialism, and the other opposed the dictatorship of the proletariat in order to take the road to capitalism.

Some examples illustrate the two lines.

After the victory over Japan, when the US were arming Chiang Kai Shek's troops in preparation for an all out offensive against the liberated areas, Mao's line was:

'Go all out to mobilise the masses, expand the People's Forces and, under the leadership of our Party, defeat the aggressor and build a new China.'

In contrast, Liu Shao Chi's line was:

'At present the main form of the struggle of the Chinese revolution has changed from armed struggle to non-armed and mass parliamentary struggle.'

In conformity with this line, Liu Shao Chi tried to abolish the Party's leadership over the People's armed forces and to merge the Eighth Route Army and the New Fourth Army, predecessors of the People's Liberation Army, into Chiang Kai-shek's 'National Army.' In addition, he attempted to demobilise large numbers of worker and peasant soldiers in order to eradicate the people's armed forces.

In 1956 when the socialist transformation of the means of production in agriculture, handicrafts, and capitalist industry and commerce were in the main completed, Chairman Mao called attention to the fact:

'The question of which will win out, socialism or capitalism, is still not really settled. The class struggle between the proletariat and the bourgeoisie, the class struggle between the different political forces, and the class struggle in the ideological field between the proletariat and the bourgeoisie will continue to be long and tortuous and at times even become very acute.'

This was the first time in the theory and practice of the international communist movement that it was explicitly pointed that classes and class struggle still exist after the socialist transformation of the means of production has been in the main completed, and that the proletariat must continue the revolution.

In the same year, Liu Shao Chi put forward the theory that:

'In China, the question of which wins out, socialism or capitalism, is already solved.'

In 1962 Chairman Mao put forward the basic line of the Party for the whole historical period of socialism:

'Socialist society covers a fairly long historical period. In the historical period of

socialism, there are still classes, class contradictions and class struggle, there is struggle between the socialist road and the capitalist road, and there is the danger of capitalist restoration. We must recognise the protracted and complex nature of this struggle. We must heighten our vigilance. We must conduct socialist education. We must correctly understand and handle class contradictions and class struggle, distinguish the contradictions between ourselves and the enemy from those among the people and handle them correctly. Otherwise a socialist country like ours will turn into its opposite and degenerate, and a capitalist restoration will take place. From now on we must remind ourselves of this every year, every month and every day so that we can retain a rather sober understanding of this problem and have a Marxist-Leninist line.'

In 1964 during the socialist education movement, Liu Shao Chi took the line of attempting to repress the masses, shield the capitalist roaders in power, and openly attacked the Marxist scientific method of investigating and studying social conditions, branding it as outdated.

It was at this period that Chairman Mao specifically indicated:

'The main target of the present movement is those Party persons in power taking the capitalist road.'

The Report clearly shows that the Great Proletarian Cultural Revolution is the inevitable result of the protracted and sharp struggle between the two classes, the two roads, and the two lines in socialist society. As this great class battle became unavoidable, new forms of struggle had to be found.

In February 1967 Chairman Mao pointed out:

'In the past we waged struggles in the rural areas, in the factories, in the cultural field, and we carried out the socialist education movement. But all this failed to solve the problem because we did not find a form, a method, to arouse the broad masses to expose our dark aspect openly, in an all round way and from below.'

That form was found in the Proletarian Cultural Revolution which was defined as; "A great political revolution carried out by the proletariat against the bourgeoisie, and all other exploiting classes; it is a continuation of the prolonged struggle waged by the Chinese Communist Party and the masses of revolutionary people under its leadership against the Kuomintang reactionaries, a continuation of the class struggle between the proletariat and the bourgeoisie.'

The Report stressed the importance of the battle of ideas in this struggle:

'To overthrow a political power, it is always necessary first of all to create public opinion to do work in the ideological sphere. This is true for the revolutionary class as well as for the counter-revolutionary class.'

Policies for the Proletarian Cultural Revolution were laid down in the 'Circular' of May 1966 and the '16 points' in August the same year. Vice-chairman Lin Piao, in his Report, drew attention to some of the important aspects of these.

'The proletariat is the greatest class in the history of mankind. It is the most powerful revolutionary class, ideologically, politically and in strength. It must unite the overwhelming majority of the people around itself so as to isolate the handful of enemies to the maximum and attack them.

'Help more people by educating them and narrow the target of attack.

'Carry out Marx's teaching that only by emancipating all mankind can the proletariat achieve its own emancipation.

'Work on the principle of learning from past mistakes to avoid future ones and curing the sickness to save the patient in order to achieve the two fold objective of clarity in ideology and unity among comrades.

'Make use of contradictions, win over the many, oppose the few, and crush our enemies one by one.

'Rely mainly on the broad masses of the people in exercising dictatorship over the enemy.

'On its part, the working class should always raise its political consciousness in the course of struggle.'

In order that no one should get the idea that the great victory obtained in the Proletarian Cultural Revolution marked the end of class struggle, the words of chairman Mao were quoted.

'We have won a great victory, but the defeated class will still struggle. These people are still around and the class still exists. Therefore we cannot speak of final victory, not even for decades. We must not lose our vigilance. According to the Marxist-Leninist

viewpoint, the final victory of a socialist country not only requires the efforts of the proletariat and the broad masses of the people at home, but also involves the victory of the world revolution and the abolition of the system of exploitation of man by man on the whole globe, upon which all mankind will be emancipated. Therefore, it is wrong to speak lightly of the final victory of the revolution in our country; it runs counter to Leninism and does not conform to facts.'

The New Party Constitution

The general programme confirms Marxism-Leninism — Mao Tse-tung Thought as the theoretical base of the Party. It continues to be based in the principles of democratic centralism and is composed of the advanced elements of the proletariat strongly upholding Chairman Mao's theory regarding the danger of capitalist restoration and the need to continue the revolution. It upholds proletarian internationalism and pledges itself to fight with the oppressed people of the world to abolish the system of exploitation of man by man.

Victory over the reactionary theories of Liu Shao Chi can be seen in the section dealing with the organisational principles of the Party. He demanded unconditional obedience to his line as the hallmark of a good Party member. Article 5 of the Constitution reads in part:

It is essential to create a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness . . .

To maintain close ties with the masses, constantly listen to their opinions and demands and wage an active ideological struggle within the Party so as to keep Party life vigorous.

Consult with the masses when matters arise.

Be bold in making criticisms and self criticism.

Study and apply Mao Tse-tung thought in a living way.

The old constitution contained about 8,000 words, the new constitution about 2,500. The old contained much organisational detail; the new, a maximum of political guidance and a minimum of organisational detail. The new constitution undoubtedly reflects the experience of millions of people who took part in the Great Proletarian Cultural Revolution and is an example of the Party's

leadership with the people. It is a demonstration of democratic centralism and the mass line to which the Party has always adhered.

Discussion on the new constitution has been going on since 1967. It has been discussed by the whole Party, the whole Army and the revolutionary people throughout the country.

China's relations with other countries.

The general trend of the world to-day is described as, 'The enemy rots with every passing day, whilst for us things are getting better daily.' The context of the statement makes it clear that 'us' means the revolutionary movement throughout the world.

Armed struggle is growing as more people realise the truth that 'Political power grows out of the barrel of a gun.'

Chairman Mao's statement 'With regard to the question of world war, there are but two possibilities: one is that the war will give rise to revolution and the other is that revolution will prevent the war.' The explanation of this statement which has been distorted by the class enemy, is contained in the examination of the four major contradictions in

the world to-day. The contradiction between the oppressed nations on the one hand and imperialism and social-imperialism on the other; the contradiction between the proletariat and the bourgeoisie in the capitalist and revisionist countries; the contradiction between imperialist and social-imperialist countries and among the imperialist countries; and the contradiction between socialist countries on the one hand and imperialism and social-imperialism on the other. The existence and development of these contradictions are bound to give rise to revolution.

Chairman Mao said in 1962:

'The next 50 to 100 years, beginning from now, will be a great era of radical change in the social system throughout the world, an earth shaking era without equal in any previous historical period. Living in such an era, we must be prepared to engage in great struggles which will have many features different in form from those of the past.'

This magnificent prospect far-sightedly envisioned by Chairman Mao illuminates our path of advance in the days to come and inspires all genuine Marxist-Leninists to fight valiantly for the realisation of the grand ideal of communism.

In Britain Now

A contribution from Tom Hill, Frank Huscroft and Jim Kean

IN THAT PART OF THE WORLD where the capitalist class is in power there is uncertainty and lack of confidence in the future, not only among the mass of people but among the capitalist class itself.

In Britain the Wilson Government has apparently given up hope of really trying to solve the major problems afflicting the capitalist system. It is being buffeted first one way and then the other by the cross-currents caused by the deepening crisis. It has succeeded in alienating the very class which sustained it in the past, and there is no doubt that it will continue along this road to self destruction.

The mood of disillusionment is spreading in such a way that all the traditional political parties are

losing the confidence of the people. This is made abundantly clear by the declining votes in parliamentary and local elections. Parliament and its members are becoming regarded as useless trappings which are of no consequence in matters which really affect the lives of the people.

This has its good aspect in that people are beginning to see through this form of capitalist rule. Its negative aspect is that, uninfluenced by Marxist ideas regarding the role of the state, it could leave the situation wide open for a change in the form of capitalist rule which would be more authoritarian.

For some sections of the capitalist class the present parliamentary set-up is no longer a suitable instrument for perpetuating their rule. In

addition, they are aware that it is losing its attraction for the more politically advanced elements and as a consequence its usefulness as a form of capitalist rule is getting played out.

The 'kite flying' by people like Paul Chambers, Beeching and others, around the suggestion to form a 'Business Man's Government,' is an indication that thought is being given to a different form of capitalist rule. These types are not opposed to trade unions; indeed they express the view that they are absolutely necessary. They only demand that trade unions should fit into a place in society allotted to them by the capitalist class. The persistent drive to draw the trade unions further into the state apparatus is a part of this overall plan.

In these circumstances Marxists in Britain urgently need to evaluate the lessons and policies outlined in Lin Piao's Report with a view to applying them to our conditions in a flexible way.

In order to avoid any possible misunderstanding, it may be necessary to make the rather obvious statement that in China, these struggles are being waged under the conditions of the dictatorship of the proletariat which was established by means of armed struggle. In Britain, the coming struggles are but the prelude to the establishment of such a dictatorship. What this actually means in terms of actual class relationships in Britain, needs investigation, discussion, and widespread explanation.

The word dictatorship has connotations which create automatic reactions of hostility in most people, but this is no reason for dropping the term. It must be emphasised that we seek to establish, not a personal or a party dictatorship, but one in which the working class wields the power. Note Lin Piao's statement 'We rely mainly on the broad masses of the people in exercising dictatorship over the enemy.'

In other words, real democracy for the mass of the people can only be obtained by suppression of the capitalist class. Conversely, this suppression can only be accomplished by means of a radical extension of democracy for the mass of the people. This concept is difficult to grasp by people who are influenced by reformist ideas and, unfortunately, this encompasses large numbers of the working class.

It underlines the importance of chairman Mao's statement regarding the necessity to create a revolutionary public opinion as a pre-condition for revolution.

This can only be understood if it is regarded as a process of struggle against particular reformist

ideas as they arise in the course of practical work. As each idea shows itself to be an obstacle to further advance, it must be fought and defeated on the basis that it is against the interests of the mass of the people. At the same time points which express the advanced ideas of the class must be encouraged. For example, the view that 'voting is a waste of time because they are all the same' is a result of their experience of the parliamentary system, but to simply repeat this view is to tail behind, not lead. In order to lead we need to take heed of the concept 'from the masses — to the masses' advanced by Mao and practised by the Chinese comrades for many years. This means that we must listen to these scattered, unsystematic ideas, derive a systematic theory from them, take that theory back to the masses so that what was formerly a spontaneous reaction becomes a conscious opposition to the parliamentary system because it has a theoretical basis.

Unless we do this in such a way that the class nature of the system is exposed, people may be misled by demagogues who put the failure of the system down to 'human nature', 'dishonesty', or the machinations of Jews, immigrants, etc.

In the trade union movement a similar attitude is taking shape. The appeal to vote for A because he is a better fighter than B, is losing its effectiveness because workers' experience tells them that shortly after a person leaves the factory to take up a full-time position in the union, he somehow gets tangled up in matters which do not appear to concern people on the factory floor. Unless we can explain why this occurs and what the remedy is in class terms, cynicism will increase and fighting spirit will be undermined.

'They are alright until they get elected'; 'We would be badly off without unions'; 'The unions are too big and too powerful'; 'There are too many unions'; 'They are too involved with the government'; 'Unions should be separate from politics'; 'The unions have too much money'. These common expressions of opinion are all too often shrugged off as due to the influence of the capitalist press, television etc.

In reality the capitalist class is only taking advantage of ideas which already exist in order to use them in such a way as to mislead the workers into drawing the wrong conclusions.

Unless we master the mass line we will continue to fall into errors in our dealings with people. For example, there is widespread dissatisfaction with rising prices, increased rents, housing shortage etc. Some comrades, endeavouring to explain the apparent passivity of the people in face of worsening

conditions, see the solution in some leading body, maybe of the trade union movement, issuing a call to action. If we are serious in our political views we would want that call for action to be made at the right time, and on the kind of issues which would receive the support of the mass of the people. We could not leave such things to chance, nor could we rest content with a tactical victory which failed to raise the political consciousness of those involved. All other kinds of 'leadership' are mere gestures.

Unity of the working class

As interpreted by the social democrats so-called unity can condemn the whole movement to more or less permanent inactivity because it restricts any movement to the pace of the slowest, and knows of no method whereby the backward sections can be brought nearer to the level of the more advanced.

Frustration with this situation can lead the advanced sections into adventurist actions which commit them to struggles which are beyond their strength. Once again, the experiences of our Chinese comrades during the Cultural Revolution can provide lessons for us.

The sharp differences of opinion, multiplicity of groups, (most of them pledging loyalty to chairman Mao) and plain disorder during the course of this great class struggle caused concern to many people who were supporters of the aims of that revolution. The advice of chairman Mao 'Do not be afraid of disorder', brought a new understanding of the dialectical process to many of us who had unconsciously been affected by the revisionist concept of orderly, disciplined, progress.

This attitude arises from the revisionist distortion of Marxism which either ignores or denies the existence of contradictions among the people. Chairman Mao's work 'On the Correct Handling of Contradictions among the People' provided the theoretical foundation for the Cultural Revolution, and, taking into account the different circumstances, is equally applicable here in Britain.

As Marxists we know that it is the contradictions in society which compel social change. Without contradictions there would be no change and indeed no life. Unity is only the transitional stage between the resolving of one set of contradictions and the development of new ones.

Some of the contradictions among the working class can be readily brought to mind. They are: between workers employed on old-declining industries, and those in new-expanding industries; between skilled and unskilled; between piece-worker and time-worker; between older workers afraid of their jobs, and younger workers who don't give a damn; between older workers steeped in tradition, and younger workers with little respect for the past; between workers in industries with a mili-

tant tradition of workshop organisation, and those employed in industries in which it has not been so much in evidence; between workers trained to new skills and those trained to declining ones.

These contradictions give rise to ideas which more or less reflect the sectional interests of the people concerned and which lead to courses of action which compel changes in other sections. Progress depends on our success in guiding the more dynamic elements in order to move the rest.

Unity is strength, but only when it is based on a correct policy. A policy is only correct when it sees the establishment of unity as a stepping stone to further advance. At the special conference of the TUC unity against the government proposals to penalise strikers was a good thing because it directed to the attack against the main enemy — the capitalist class, and could lead to a sharpening of the class struggle. Unity on the question of giving the General Council powers to intervene in strikes was a bad thing. It lays the way open for oppression of the workers, with the trade unions acting as policemen. It is the duty of all who have the interests of the working class at heart, to oppose and destroy this kind of unity.

It was reported in *The Times* on June 6 that Victor Feather replying to the debate at this special meeting said that it had been claimed from the floor the law would be ineffective and that they ought not to worry about it. But, he said, this was sometimes a slippery slope. He would protect the law and he did not want it to fall in disrepute if he could help it.

Feather wants unity with capitalist law. Marxists oppose such unity. He wants to prevent capitalist law coming into disrepute, we want to assist the process. His attitude is an example of the reformist line which always seeks compromise because it does not accept that the interests of labour and capital are mutually exclusive.

The revolutionary line recognises the need for temporary compromise determined by the balance of forces at any particular time but sees them as tactical manoeuvres in the struggle of the working class to seize power.

Unite the many to oppose the few.

Whilst the industrial proletariat is the largest single class, it does not by itself constitute an overwhelming majority of the population. When Mao Tse-tung says that the working class must rally around itself the other oppressed classes in society in order to defeat the main enemy he is underlining the experience of the international communist movement which shows that the working class cannot, by itself, and unaided by any other classes, conquer state power.

In Russia and China the revolutions were successful because the revolutionary proletariat had

a revolutionary peasantry as a staunch ally. In Britain the peasantry has long ceased to exist as a class. There are, however, large numbers of people whose class position is between that of the industrial working class and the capitalist class. Some of them, such as shop and office workers are close to the industrial workers in many ways, and constitute their most reliable allies. The others, which include doctors, lawyers, teachers, small property owners, small investors, small businesses, some strata of management in capitalist industry etc, cannot be said to constitute a homogenous class because they are fragmented and unevenly affected by the development of monopoly capitalism. Their living standards are generally better than those of the average worker. Because of the position which they occupy between the two great classes they tend to look for 'the middle way' in politics as a means of achieving the stability which they yearn for. They respect and, in some cases, like to shelter under the protection of the organised industrial workers but at the same time fear that 'excessive' militancy of some workers may put that stability at risk.

On the other hand, many of them see the development of monopoly as a threat to their position in society, with the danger of being thrust into the ranks of the working class.

For these reasons these middle strata cannot be the leading force in the struggle for socialism, although many individuals from it will continue to play an important role in the movement.

Some of these strata can be won as allies of the working class, but this can only be decided in concrete terms as the working class divests itself of reformist illusions and moves towards a more revolutionary position.

The prime task therefore, is for the workers to overcome their reformist illusions so that the class struggle is intensified and extended beyond the bounds of simply fighting for a fairer share of the social product, to the recognition that in order to solve their problems they must fight for and conquer political power. Further, that ultimate political power does not rest in parliament or the so called democratic institutions, but in the armed forces, the police, the Civil Service etc, and that the ruling class will not surrender power peacefully but will have to be defeated by force.

The introduction of these and other Marxist ideas into the working class is not simply a question of inducing workers to read the classics of Marxism but of getting them to study with specific problems in mind so that it becomes recognised as a valuable tool for solving problems. A study of Marxism means above all a study of dialectical materialism, particularly its basic law, the unity of opposites. In this respect, 'On Contradiction', 'On Practice',

and 'On the Correct Handling of Contradictions amongst the People', by Mao Tse-tung are essential study material.

Briefly, this law of dialectical materialism asserts that changes in society are due chiefly to the development of the contradictions in society, and that it is the development of these contradictions that pushes society forward. The contradiction between the working class and the capitalist class cannot be resolved peacefully because the basic interests of these two classes are mutually exclusive. That is to say, what is good for the capitalist class is bad for the working class, and vice versa.

If we are to assist in the creation of a revolutionary public opinion, we must seize every opportunity to demonstrate its correctness in actual practice. We must transform the class consciousness from the workshop level where it is pretty well understood in relation to the particular employer, into a revolutionary political consciousness on a national and international scale, and gain understanding that it relates not only to economic interests, although these are the basis, but to all aspects of life such as political and state institutions, education, science, culture etc. Therefore the struggle against capitalism and for socialism must be waged on all these fronts if it is to be successful.

In Lin Piao's Report the point is made that we must learn to take advantage of contradictions in order to unite the many against the few so that victory is assured. It is not our intention at this stage to attempt any analysis of the contradictions within the capitalist class itself. This needs detailed study, and is one of the tasks for the future. In any case, full advantage cannot be taken of such contradictions as long as the working class is saddled with reformist ideas and leadership.

Some examples of contradictions within the working class have already been given. Because the basic interests of the class are the same, these contradictions need not become antagonistic if handled correctly. There is another contradiction that the reformists and revisionists treat as though it were non-antagonistic, but which is in reality antagonistic, namely the contradiction between the working class on the one hand and the reformist and revisionist trade union and political leaders on the other. To regard this contradiction as non-antagonistic would mean that we would have to treat people like Wilson, Castle, Feather and Scanlon in the same way as misguided workers; that is attempt to win them to a consistent class viewpoint by the method of patient explanation designed to bring their political outlook into line with their class interests.

The Wilsons, Castles, Scanlons and Feathers and their like are agents of the capitalist class within the movement, and as such, are enemies of the

working class. The more concealed the more dangerous they are. Therefore their exposure is of prime importance. The defeat of these agents, ideologically, politically and organisationally, is a precondition for the advance of the working class towards socialism. For this reason they must be the main target of attack at this stage. This attack can only be effective if carried out in the course of actual struggle against the capitalist class when theory can be related to practice in a living way.

There is a contradiction between Wilson and Co, on the one hand, who want to introduce a system of fines for strikers and, on the other, Feather and Co who maintain that they have the better method of achieving the same results. The Wilson Government, unable to fulfil its role of carrying the working class along behind capitalist policies, must try to find ways of hanging on to office; therefore an indication is necessary to show that it is serious about restricting the ability of the workers to resist worsening conditions, if the social democrats are to be restored to favour with the ruling class.

The reactionary trade union leaders share a common interest with Wilson and Co to the extent that they, being also social democrats, view strikes as an obstacle to the realisation of their ideal 'High Wage — High Productivity' society. Strikes, in their view, will always occur due to 'misunderstanding', 'bad communications' etc, but these are viewed by them as unfortunate lapses which hinder the smooth, upward, orderly development of society. If these trade union leaders are to continue to take the workers along the road of collaboration with the employers, they must maintain the confidence of the membership. For this reason, acceptance of the Castle proposals to fine strikers is too big a pill for them to swallow. It would expose them and weaken their influence.

Because of the relative strength of reformism in the working class movement, the 'compromise' which will emerge from the current discussions between the TUC and the government on this question will certainly be more unfavourable to the workers than the present position. Further attacks by the capitalist class will result in further retreats unless the influence of reformism is at least seriously weakened.

Ultimately, the basic contradiction between the working class and the capitalist class cannot be resolved until the major contradiction within the working class has been dealt with. That is the contradiction between the interests of the working class which demand resolute struggle against the capitalist system, and the reformist and revisionist ideas which conceal the basic contradiction and blunts the class struggle.

In order to weaken and destroy the influence of those leaders who act as vehicles for transmitting

these ideas into the working class, it must be shown that the policies they advocate are a major factor in preventing the full development of working class struggle against the capitalist class.

This once again raises the question of the kind of unity that we advocate in the interests of the working class. There are a few unions that operate a militant policy in their dealings with the employing class and in their opposition to any restraints on or penalisation of strikers. There is also a fairly widespread inclination at factory level to use the strike weapon as the occasion demands, irrespective of whether agreements are being broken or the law defied. These are positive features. The ruling class and their agents within the movement want to establish a situation in which the TUC will have the right to suppress these militant sections in the name of unity. We are opposed to this kind of unity.

In addition to uniting with all who oppose this kind of unity there are other contradictions which we can take advantage of in order to broaden the struggle. Both the Government and TUC 'plans' envisage great changes in union rules, particularly in relation to the disciplining of members. In order for this to be effective for their purposes, this will mean a greater concentration of power in the hands of the national executives, with corresponding reductions in local autonomy.

We must, on our part, initiate activity in branches, shop stewards committees, and district and area committees, for changes in rule for the purpose of increasing the degree of local autonomy, particularly in the field of discipline. An example of what can be achieved was the defeat inflicted on the ETU executive at that unions Rules Revision Conference. This was excellent, but unless the struggle is extended on a mass scale the executive may win the day by appealing to the membership. It is not sufficient that the leading militants understand what is happening; the mass of the membership must also be made aware of it.

There is a danger in this situation of the type of leadership which simply decides on a policy and relies on the workers to follow. This can only lead to defeat in the long term. There is also a danger of the opposite kind which is a result of confusing the correct line of relying on the workers, with the incorrect line of relying on the spontaneous reaction of workers to any given situation. To rely on spontaneity is to rely on masses of workers instinctively to decide to fight the right enemy at the right time, on the right issues etc. There is no denying that this does occur, but more often than not it results in confusion which leaves the situation wide open for opportunists to jump on the band wagon.

(Continued on page 17)

OIL and IMPERIALISM

by L Yasmin

TO UNDERSTAND the 'free world' one must understand Big Business. To understand Big Business one must understand Oil. Oil is Big Business incarnate. Only a century ago petroleum was chiefly required as lamp oil and to grease the wheels of steam engines. It had not yet become the 'black gold' it is to-day. The invention of the internal combustion engine widened rapidly the horizons of the new industry, and within a short time the oil monopolies emerged as that insatiable octopus which affects the lives of millions all over the world. Only where the people have taken power into their own hands and established socialism, have they been able — to a certain extent — to extricate themselves from its ubiquitous tentacles.

With the growth of the oil industry began the race for 'concession' in foreign lands. 'Every drop of oil is worth a drop of blood' has been the battle cry of the oil barons. And it is the people under whose soil the oil is found who have had to pay the price. It would require volumes to analyse all the ramifications of oil imperialism to assess its full influence on world politics. An analysis of all the stages of production, covering extraction, processing and distribution takes us into the heart of international high finance, into the cabinets of the big powers, into the world of vast industrial concerns internationally linked and inter-linked by secret agreements and intricate corporation associations, all with their private telephone lines and their own 'diplomatic' corps.

The giant oil trusts know no boundaries and acknowledge no national sovereignties. In control of a network which spreads over the five continents, within which chiefly US and to a lesser extent British, Dutch, French, German interests inter-lock, the oil trusts are the invisible power behind many a decision of the State Department and Whitehall. Since the start of the oil age coincided with the merging of national, then international, finance capital and industrial enterprises, Lenin's comment that imperialism is the highest stage of capitalism could scarcely be more closely illustrated. And it is also true — though less obvious to many — that the advancing oil age is at the same time the era of the

gradual decline of imperialism under the impact of liberation movements in many lands.

Oil has, of course, been used since antiquity as fuel, for lighting, impregnating timber for shipping, for the embalming of Egyptian mummies, and other similar uses. But commercial exploitation on a grand scale had to wait for the invention of the automatic drilling pumps which were not manufactured before 1859. World-wide marketing needed railways, tankers, pipelines. With the invention of the diesel engine in 1892, and the mass production of motor cars, the oil trusts became closely linked to the industrial giants, the munition kings, the manipulators of politics in the capitalist world. For instance, Henry Ford founded his plant in Detroit in 1911 and began to pour on to the market in millions the small-man's car; Ford is now internationally known.

The Greedy Seven Sisters

The tendency in the capitalist-imperialist world for the development of mergers, and the growth of monopolies, corporations of linked companies, international cartels, is epitomised by the oil industry which is rigidly organised into the international oil cartel composed of seven major corporations. The 'Greedy Seven Sisters' are: Standard Oil of New Jersey; Standard Oil of California and Texaco are controlled by Rockefeller, and among others the Chase National Bank of Manhattan. Gulf Oil, controlled by Mellon Holding, linked with the Aluminium Company of America, Westinghouse Electric and others. Socony Mobil, controlled by Morgan Bank, linked to the US Steel Trust. Royal Dutch Shell, controlled by British French and Dutch interests, linked to the Rothschild Bank. British Petroleum, linked to Shell, Burmah Oil (which is forty-nine per cent owned by the British Government.)

One has to guard against being misled by national tags such as 'Iraq' Petroleum Co., 'Mexican' Eagle, etc. These labels are about as meaningful as the Liberian flag on ships from many ports. They are all subsidiaries of the above-named companies.

To prevent independent producers from cutting

in on their business, the oil trusts try to bring all potential resources under their control. People who tried to set up 'National Oil Companies' — such as Dr Moussadeq of Iran, or General Kassim in Iraq, or the Italian oil magnate, Enrico Mattei, and the Lebanese oil merchant Emile Bustani, and tried to sell oil at 'cut prices', fell in the battle against the omnipotent 'Seven Sisters'.

The entire policy of the western powers for the last sixty years has been geared to the protection of their leading oil companies with utter disregard for the human rights and needs of indigenous populations, with the sole exception of a handful of stooges who are serving as the go-between in the confrontation with imperialism, writes Harvey O'Connor in his brilliant study *Empire of Oil*¹.

The Pillars of Oil Imperialism

Among the 'Seven Sisters' two combines are the main pillars of the oil industry, the Rockefeller Empire with its Standard Oil and the Royal Dutch Shell Group. A brief survey of their intricate ramifications throughout the world shows how extensive and intensive their influence is in world affairs.

The Rockefeller Empire; Standard Oil: The first in the game was J. D. Rockefeller, founder of the dynasty and of Standard Oil, who started oil production in America in 1859. The enterprise grew rapidly and by 1870 the firm came under attack for contravening the US Sherman Anti-Trust Acts by price fixing and preventing rivals from setting themselves up in the oil business. Since 1872 the Rockefeller Trust has become linked with the Harriman and the Morgan Steel Trusts and the Vanderbilt Railway Trust².

In the early days China was one of the most lucrative markets for the Rockefellers and they always tried to keep it all to themselves. In 1895 Shell Transport and the well-known firm of Jardine Matheson, then engaged in the rewarding opium trade, linked up with Standard Oil to ship kerosene to China³. After her Revolution, China liberated herself from the grip of the oil imperialists and built up from scratch her own oil industry. Now China is self-sufficient in oil.

In 1890 Standard Oil acquired a German subsidiary, the Deutsch-American Petroleum AG, through which it became closely associated with German banking and industrial concerns. The deals went through the leading Wall Street Rockefeller bank, Kuhn, Loeb and Company and the Warburg Bank in Hamburg⁴.

The Deutsch-American Petroleum AG was partly owned by the Deutsche Bank and was linked to a string of companies which drilled oil in Rumania, Hungary, and the Polish provinces of Australia. Already, during the final quarter of the last century, US big business through its subsidiaries wielded a powerful influence on the economy of eastern and central Europe.

The rapid advance of German industry at the turn of the century was to no small extent due to the heavy investments of US capital; the Morgan and Harriman Trusts became associated with some of Germany's key industries, including shipping and the Hamburg-America Line became a joint US-German enterprise. The Mannesmann Roehren Werke, the biggest manufacturers of seamless pipes, like Krupp who manufactured the automatic pumps, were now connected with the oil empire. Through its German intermediaries the US could pursue colonial adventures while playing the role of an anti-colonial power, and Germany's pre-world war one attempt to drive through the Balkans into the Middle East, the famous Drang Nach Osten, was in reality an international monopoly move with the US interest acting as a heavy-handed pressure group behind the German Government. Rockefeller's Standard Oil could see the glitter of oil in the Middle East.

France, as well, became inextricably encircled within the tentacles of the Rockefeller Empire. For over half a century Standard Oil had been invading the French economy. The Banque de Paris et des Pays Bas became the chief funnel for this operation. Through interlocking directorships, this bank became the controlling power in many other banks and firms in France and in other countries such as the Banque Franco-Japonaise, Banque des Pays du Nord, Banca Commerciale Italiana, Banque Francaise et Italienne pour l'Amerique du Sud, Banque Ottomane, etc. Members of this associated group hold 190 key positions in French industries and have extensive overseas investments in such places as Algeria, Chad⁵.

Royal Dutch Shell: Before world war one Tsarist Russia was the Eldorado of the oil kings. The famous Nobels, sponsors of the Nobel Peace Prize, who already owned dynamite factories all over the world, together with the Rothschilds and some Russian capitalists, started operations in Baku in the last quarter of the nineteenth century. While the Nobels built the first tanker fleet on the Caspian Sea, the Rothschilds financed the construction of a railway line to link the Russian oilfields with the West. During the 1890's the Rothschilds and Nobels

merged their interests with those of the Royal Dutch Petroleum Company — partly owned by the Dutch Royal family — which, under the chairmanship of Sir Henri Deterding, had been shipping oil from Borneo (now Indonesia) to Europe. In 1904 Marcus Samuel (later Viscount Bearsted), owner of 'Shell' Transport and Trading Company, an oilman of long standing with financial interests in Germany, Rumania, the Far East, etc, joined the Rothschilds, the Nobels and Deterding; the Royal Dutch Shell Group was born.

The Baku oilfields were nationalised by the Soviet Government immediately after the Russian Revolution in 1917 and, despite the military intervention of the White Guards and their foreign supporters, they were lost to the imperialist oil trusts. The Rothschilds alone did not lose; they had sold their interests to the Rockefellers in 1912 and remained only the bankers of the company.

The Royal Dutch Shell Group operates oilfields in 23 countries, controls 38,000 miles of pipelines, produces 200 million tons of oil a year. Together with British Petroleum, it owns two-thirds of Middle East oil and produces 14 per cent of the western world's output. Its annual expenditure is more than the whole of British overseas investments. The head of the group is believed to receive a salary which amounts roughly to five times that of a British Prime Minister. Its total assets exceed £2.300 million, and its profits in 1963 were £81,825,000 (*The Times*, 3 November, 1963 and *The Observer*, 29 December, 1961).

One of the members of Royal Dutch Shell has been on the board of the Suez Canal Company and on the Court of Arbitration at the Hague⁶. Together with Unilever, it forms the backbone of the Dutch economy and banking.

Since 1912 a leading Dutch banker, M. Hoofien, has been Dutch Consul in Haifa⁷. Unmolested by the rival powers which converged in combat in the Holy Land during world war one, he was in position to prepare the ground for coming events. As a director of the Anglo-Palestine Bank, he negotiated with the German Ministry of Economy in August 1933 the Haavara Agreements⁸ whereby the assets of wealthy Zionists in Germany could be transferred to Palastine. The deal was to the advantage of German industrialists who were thus given an opportunity to deliver the pipeline system needed in the Middle East, and other industrial equipment for the industrialisation of the Holy Land. It was part of the German inroad into the Middle East during the inter-war years and offered great opportunities

for the industrialisation of Palestine⁹ & ¹⁰. A year earlier, in 1932, the Iraq Petroleum Company had arranged with the Mannesmann Trust, financed by Swiss and South African companies, the development of pipelines for the oil firms¹¹.

Royal Dutch Shell is also closely connected with the Cie. Francaise des Peroles, through the French branch of the Rothschild family and to Messrs Lazard Frères, the investment bankers described as 'financiers to the free world', with branches in Paris, London, and New York.

Lazard Frères provide more than a brotherly link in the international finance-industry-commerce chain. The British Lazard firm is headed by Lord Kindersley who sits on the board of directors of the Bank of England and of Rolls Royce. Another member of the Board of the British Lazard, W. Pearson, later Lord Cowdray, joined them at the turn of the century. He had carried out spectacular civil engineering contracts in Canada, New York and London, and founded Mexican Eagle Oil Company which was under his control.

During the years leading to world war two, Lazard took a leading part in 'sponsoring' the cause of Nazi Germany in Britain and France¹² & ¹³. The role of the oil-financial tycoons and their use of anti-semitism and Zionism to further their worldwide interests becomes unveiled.

Colonial Penetration into the Middle East

The Middle East early became a focal point in the imperialist struggle for power and profits. For over four centuries the Balkan Peninsula and the Eastern Mediterranean belonged to the Turkish Ottoman Empire, the Most formidable military power in Europe. After Britain had established herself in India, she was determined to break into the domain of the Turks and to bring the Persian Gulf and the land route through Iraq under her control. In Palestine she planned to set up a vassal state for herself, and after Napoleon's invasion of Egypt in 1799 this scheme became a key point of her foreign policy. In 1802, the Stock Exchange was set up in the City of London to float loans to the monarchs of the Holy Alliance then engaged in fighting revolutionary France. It was no accident that in 1804 the Bible Societies were founded in London; the Old Testament became hence forward one of the chief props of England's home and foreign policies, so that the campaign for conquest of the Holy Land could, like during the Crusades, be disguised in religious garb.

Britain's tactics for the control of the Middle East

The Wealth of Iran

Another part of the Middle East, Iran, has also long been subjected to greedy exploitation by western powers. At the end of the nineteenth century the economic penetration of Persia began. The road was opened by the German Baron Reuter, the founder of the news agency and partner of Werner von Siemens. He induced the Shah to grant a concession to set up a bank for the issue of bank notes. Founded in 1889 by an international consortium, the bank was called the 'Imperial Bank of Persia' and comprised Glyn Mills and Company (linked to the Bank of London and South America and the Bank of Montreal); David Sassoon and Company, promoters of the opium trade into China and linked to the Banks of Hong Kong and Shanghai, and closely related to the Rothschild family; J. Henry Schroeder and Company, the German bankers who in the 1930's became the clearing house for funds for the Nazis¹⁶.

In 1890 the Shah granted a British firm the concession for a tobacco monopoly. The 'enterprise' stimulated the first revolutionary wave in the country, not only against the foreign exploiters, but also against the Shah who was assassinated in 1896¹⁷. German engineering industries also found a great field for activities. Siemens and Halske built the Indo-European telegraph line and in 1899 the German Kaiser persuaded his friend the Sultan to grant a concession for the construction of the Berlin-Baghdad Railway. The work was executed by Krupp, financed by German, British and French bankers.

The heavy hand of imperialism made itself felt on the Persian people who rose in revolt in 1906, but it was crushed by Russian Cossack regiments. Close dynastic links between Tsarist Russia and Britain had permitted the carving of Persia into British and Russian 'spheres of interest'.

Meanwhile oil had become politics. The Persians themselves were well acquainted with the black gold under their soil. About 600 BC the great Persian philosopher Zoroaster, in blissful ignorance of the miseries which the greed of the oil concessionaires would one day bring to his country, called the oil Ormuzd, the symbol of light and reason which would triumph over the wicked forces of darkness and ignorance. But the twentieth century was to see the forces of exploitation in the ascendancy in Persia, now Iran.

In 1901 one W. Knox d'Arcy 'discovered' oil in Persia, and induced the Shah to sign a slip of paper giving him exclusive rights to exploit it for the next 60 years. In 1909 the d'Arcy concession became

linked with the Burmah Oil Company (the Waley-Cohen Empire) and in 1913 Winston Churchill bought the controlling interest in the Persian oil-fields for the British Admiralty. The British Navy began to change over to oil-firing. By 1922 Anglo-Persian production outstripped all other fields of extraction.

The United States in the Grab Game

Since the mid-nineteenth century the US, too, has nursed ambitions to wedge itself into the Middle East, and in 1866 the American University in Beirut was founded, making use of education and 'culture' as Britain previously used religion and the Bible. Aware of the Turkish Sultan's apprehensions of the Anglo-Saxon colonialists, the US before world war one appointed three American Jews of German extraction, consecutively as their Ambassador to the Sublime Porte, the best known during world war one having been Henry Morgenthau Snr. His son became US Secretary of the Treasury and President Roosevelt's close advisor during world war two later serving as chairman of the giant US Zionist fundraising machine — the United Jewish Appeal.

Since Germany was the most-favoured-nation of the Turks, the US operated behind the Kaiser and the German Zionist organisation headed by Otto Warburg, a member of the famous German-American bankers' family. Another member, Felix Warburg, had become a senior partner in Kunn, Loeb and Company. These connections facilitated Rockefeller's inroad into the Middle East.

In 1913 the Standard Oil Company acquired from the Sultan the concession to explore the minerals of the Dead Sea and oil in Palestine. This Sea contains nearly all basic chemicals needed by the chemical industries. The Dead Sea supplied Standard Oil with bromine, essential for high octane aviation fuel during world war two. At the beginning of world war one Palestine seemed to have developed into a joint US-German sphere of interest. But relations changed.

Inter-imperialist rivalries pitched Europe into the 1914 war. While British forces entered from the south into Mesopotamia (later Iraq), the Germans allied to Turkey marched from the north into Palestine. The Arabs were promised independence by the British but were later betrayed. While ordinary Germans, Turks, British and Arabs were laying down their lives in the Holy Land, Rockefeller's secret agent in Palestine, Mr Yale, later attached to General Allenby, made preparations for the establishment of a Jewish State which would fall

under the control of US Zionists who would work out US policy under Jewish slogans¹⁸.

The Oil Boom

The 1914-18 war proved that oil was as necessary as blood for winning battles. Demand outstripped production. Land, sea and air mobilisation caused an unprecedented boom. Oil became the basis for high-explosives, such as TNT. Between 1914 and 1918 shares rose three-fold. Standard Oil alone provided for about a quarter of the world's oil consumption. Fabulous, too, was US industrial growth. The Morgan Trust, chief supplier of munitions to Britain and France, made profits rising from 71 million dollars in 1914 to 333 million dollars in 1916¹⁹. The US emerged the largest creditor country in the world, with an impoverished Europe heavier in debt every year as the US poured in goods and investments. Gratitude was earned from the impoverished when the Rockefeller's subscribed £100,000 to the German War Fund through the Deutsch-American Petroleum AG and £5,000 to the British Relief Fund through Standard Oil.²⁰

The Palestinians Betrayed

The war had gone well for the oil barons, but their fortunes suffered a heavy blow in 1917 when the Bolsheviks dared to steal the Caucasian oilfield from their 'rightful' owners. The Western Allies therefore immediately turned their attention elsewhere. On November 4, 1917, in the same week that the Bolsheviks took power, the US — who had entered the war at the side of the Allies only six months earlier — pressed Britain to issue the Balfour Declaration announcing that 'Her Majesty's Government would view with sympathy the establishment of a Jewish Home in Palestine'. Significantly, the Declaration was addressed to Lord Rothschild!

At the Versailles Peace Conference in 1918, not an Arab voice was allowed to be heard speaking for the rights of the Arab peoples. The Middle East became a military camp with its entire resources under the control of Whitehall. Britain was assigned the Mandate over Palestine and Iraq, thus giving her political responsibility for protecting the oil interests.

At the Peace Conference the US insisted on 'special Minority Status' for Eastern European Jews²¹ to prevent their integration and assimilation. This Minority Status — allegedly to protect their rights — made it appear that they were foreigners encroaching on the indigenous population in the very countries in which they were born. This pro-

vided an excuse for discrimination against Jews leading to their emigration en masse to Palestine.

San Remo Oil Conference

In April 1920 Britain, France and the US met to sort out the loot, and they quarreled over who should get the lion's share of the oil. In 1916 the Sykes-Picot Agreement had been signed for the division of the anticipated spoil, between Britain and France. But, in contravention of this Agreement, Britain sought to keep France out of Iraq, hoping she would rest content with the beautiful beaches of the Lebanon instead of the Mosul Oilfields. The French pointed out that they had held the worst onslaught of the war, while the British merely dug themselves in, in the Middle East which was a minor theatre of operations. The US sent Secretary of State Mellon as their representative²². Bluntly, he demanded the 'open door for Standard Oil', the corporation with which he himself was associated. In that way Uncle Sam would recoup the loans he had made to the Entente. The conflicting interests were not quietened until several years later.

Rebellion and Suppression

The Arab revolt, which had been simmering for several decades, reached boiling point. Indignation at the way they had been cheated by the British who had enticed them to fight at their side against the Turks, led to open rebellion. In Egypt, Palestine, Syria and Iraq the Arab people were up in arms. The biggest uprising took place in Mosul. The British Air Force was ordered into action, resulting in reported 8,450 Iraqi dead and a loss of 426 British lives²³.

The unrest in the Arab world and the manpower shortage in the West, as a result of world war one, made it imperative for the oil imperialists to establish quickly a permanent military base to keep the area under control. Long-term planning had assigned the manning of this base to the Jews, who had fled from purposeful persecution and discrimination in Europe. The leadership of the British Zionist organisation said that 'the Jews would be glad to undertake the garrisoning of Palestine' (*The Times*, April 24, 1920). The Zionist organisation in many countries became the pipeline system for the supply of manpower to protect oil imperialism.

Anti-Semitism and Preparation for World War Two

Among the important problems facing the capitalist-imperialist world after world war one, two were vital: the need to destroy or at least contain Soviet Russia and communism in general; and the need to safeguard western oil interests in the Middle

East where the Arab revolt was simmering. The Nazi system was to serve both purposes well, arising as it did in a war-weary Europe dominated by international finance which itself had been gravely shaken in the turmoil of war and revolution.

In 1920 violently anti-Jewish literature was produced at the Henry Ford motor plant in Detroit and shipped to Germany²⁴. Ford owned a car plant in Cologne and his concern held financial interests in the German Chemical Trust I. G. Farben (*Frankfurter Zeitung*, September 21, 1930). His own book, *The International Jew*, was a plagiarism and popularisation of Houston Stewart Chamberlain's anti-Jewish classic, *The Foundations of the Nineteenth Century*²⁵ which was published in Germany in 1899. Chamberlain was the pioneer of the pseudo-science of racialism, and through his marriage with the daughter of Richard Wagner and his friendship with the German Kaiser (grandson of Queen Victoria), he had a certain amount of influence in reactionary circles. The working class in the west, and the socialists who were growing in strength, exposed this racialist poison as the weapon of the bourgeoisie to split the labour movement. But at that time only a few realised that anti-semitism was being deliberately fostered as an instrument to bring about the colonisation of Palestine for the protection of imperialist interests, especially in oil.

Also, as the persecution of the Jews by the Nazis and others grew in extent and intensity, widespread and genuine popular sympathy for the victims spread and deepened. This sympathy and the desire to alleviate suffering greatly assisted the growing Zionist movement, accelerating the establishment of the Palestine base. Thus, ironically, the very hatred engendered of fascism and Nazi atrocities was utilised to help capitalist monopoly reaction.

1920-1933 - Hitler and the Oil Cartels

In the inter-war years the Nazi regime was methodically built up by the Ruhr magnates Stinnes, Krupp, Thyssen, in association with German bankers and their American business friends. Among the chief promoters of Nazism were the oil men, notably Sir Henri Deterding of Royal Dutch Shell, Torkield Rieber of Texaco, and above all, Standard Oil. In 1936, three years after the Nazis had seized power in Germany and one year after the Nuremberg Racial Laws had been passed, abrogating citizens' rights of Germans of Jewish 'race', the Standard Oil Company furnished millions to the Nazi chemical industry to help her manufacture gas and oil from soft coal²⁶.

The Chicago businessman Charles Crane, Standard Oil's special envoy, 'was enthusiastic about the Hitler regime in Germany' wrote a US Ambassador²⁶. He negotiated successfully with King Ibn Saud for the huge oil reserves in Saudi Arabia for the Rockefeller Trust in April 1933. Soon after he paid homage to the Fuehrer and expressed his hope that he would 'put the Jews into their place' (Dodd, p 25). Also, the sister of John Foster Dulles and of the C.I.A. boss Allen Dulles, who lived in Berlin during those days, 'was an enthusiastic Hitlerite'²⁶.

1933-45 - Nazi Germany

Nazi Germany became the heaven of big business. The labour movement was smashed, strikes outlawed and the preparations for world war two promised fat dividends. Standard Oil drew closer to the IG Farben gentlemen in Berlin. Their relations were not broken off even after the US had declared war on Germany in 1941 after Pearl Harbour, and Vice-President Henry Wallace accused them of paralysing the US war effort because of their secret cartel agreement with the Nazi chemical trust, which held up production of synthetic rubber of vital importance after the loss of Malaya to Japan (*Daily Express*, September 31, 1943²⁷).

Imperialism and the Arab-Israel Conflict

The relations of the US and other oil barons with German big business of course extended well outside Germany, and were extremely complicated involving both association and bitter rivalry. All eagerly sought to dominate the Middle East for its riches. During the 1930's when the Nazis were pursuing the policy of expelling the Jews from Germany Zionism assisted by helping to build up the imperialist base in the Middle East — Israel.

The colonisation of Palestine in itself would not have been enough. If the Jews were to be used as a military force against the Arabs, everything had to be done to avoid fraternisation between the two peoples and to hew from the start a rift of mutual fear and hatred. Under the Mandatory Government, therefore, the old system of divide and rule was rigidly applied. Zionist ideology elaborated its 'positive' system from the 'negative' mould of Nazism. This meant the exclusion of the Arabs from schools, trade unions, clubs, etc which the Zionists set up in Palestine.

Zionist 'socialism' works hand-in-glove with big business, precisely as German Nazism did. The Jews who had fled from persecution were intended by their imperialist masters to become a privileged military security force, trained by British

officers for the coming confrontation with the Arabs. Dissident elements who did not wish to partake in the anti-Arab campaigns left the country again if they had the chance to escape. Some were murdered—for example, the head of the Jewish Agency who worked for Arab-Jewish cooperation; others organised a Communist Party. Key jobs remained in the hands of 'reliable' reactionaries such as the Foreign Minister Abba Eban a South African and the anti-communist Ben Gurion.

US Middle East Offensive

During the 1940's the US began its offensive against the British in the Middle East. They armed fascist Zionist gangs who assassinated the British Minister in Cairo, Lord Moyne, and blew up places where Jews and Arabs met, to nip fraternisation in the bud²⁸. The Texaco chief Torkfield Rieber was assigned as adviser to the Persian Government²⁹, and millions of dollars were poured into Saudi Arabia to win friends for the post-war era.

In 1947 the US-dominated United Nations General Assembly recommended the partition of Palestine, and on May 14, 1948, the State of Israel was proclaimed on the territory of the Palestinian Arabs. Officially the British Government took a line 'against Zionist ambitions' to prevent upheavals in other parts of the Arab world where the oil interests had to be safeguarded. So, a little war was arranged by interested persons in Britain and the 'Arab' League against Israel. This League consisted of hand-picked friends of the Colonial Office, such as Nuri-es-Said, Britain's most reliable instrument in Iraq for forty years, and others. Its military commander was the British Brigadier General Glubb, Commander-in-Chief of the Arab Legion.

What Zionist myth likes to refer to as 'Israel's war of liberation' was in fact a cruel game played with live ammunition between the well-armed and well-organised Israeli forces against the untrained and ill-equipped Arabs. Israel's 1948 'victory' provided the opportunity for her annexation of large territories which the United Nations had allocated to the Arabs, the Arabs having been conveniently expelled from their lands and homes after the massacre of defenceless villagers, as at Deir Yassim.

After the 1948 war the US and other imperialist powers sought to strengthen Israel, providing her with arms and military equipment and assisting in many ways with the building up of a viable economy. The desired rift of mutual fear and hostility between the Israelis and Arabs deepened,

while the Israel army and leadership were filled with a sense of invincibility; militarism and chauvinism grew. The basis was laid for the June 1967 war.

After this last Israel offensive against the Arabs, the one-eyed fascist Dayan was elevated to pin-up rank by Wall Street bankers, ex-Nazis, elements of the British press in the grip of the oil imperialists, and by credulous Zionists who still believe that Israel is a 'sanctuary for the persecuted'. Only the more enlightened have come to see that imperialism has placed their co-religionists deliberately into one of the areas most strategically dangerous for a coming world conflict. Insufficient publicity has been given to the fact that the same forces which created Nazism and provoked two world wars god-fathered the Zionist State.

After 1967

Israel's 1967 Blitzkrieg fanned the fires of indignation into the most remote corners of the Arab world. Reactionary puppet Arab rulers, from the oil states in the Gulf right to the King of Morocco, were shaking in fear of the anti-imperialist wave unleashed, which might easily have swept some of these stooges from power. The wealthy oil Sheikhs who, year in and year out, had been obediently depositing their money in London banks, were forced by public pressure to do more than just pay lip service to Arab national causes.

At the Khartoum Arab Summit in August 1968, the old lackeys of the oil companies had to promise to help Egypt bridge the gap in the loss of income from Suez Canal dues. Kuwait money, the main prop of the Sterling Area—which had for years provided over ten per cent of all new money invested in London—was diverted to help Egypt survive.

Britain, in economic crisis, felt the pinch. British Foreign Secretary G. Brown stated that Britain's financial losses as a consequence of the closure of the Suez Canal were £20 million a month²⁹. The price of petrol went up, freight charges for all goods coming from Asia—including rubber, tin, oil—went up, tanker firms and oil companies rejoiced. Their profits went up—but sterling fell³⁰.

Oil and National Liberation

The continued concern of the US oil tycoons for their puppet Israel has again recently been shown by their reinforcement of the Israel air force with jet planes. Behind the scenes these wealthy monopolists play a dominant role. Because they themselves are the bankers and the

manipulators of finance which runs the capitalist world, it is oil imperialism linked with all other big business which is the main enemy of the peoples of the world. And the US, the strongest capitalist power, is the main aggressor among the imperialists, the invisible hand manipulating dozens of puppet governments in various parts of the world. Their control of the international money market and of the US military establishment places them in the key position to direct the policies of the 'free' world.

But they are at the same time most vulnerable. The Rockefeller Empire with Standard Oil, the Royal Dutch Shell which now look so all-powerful can and will be overturned by the liberation forces of the world's peoples. The international solidarity of the working class and of national liberation movements will end the capitalist system and imperialist aggression.

OIL PRODUCTION AND CONSUMPTION IN 1966

	(in million milne tons)	
	Production	Consumption
USA	409	580
Latin America	345	171
Caribbean, Trinidad etc	195	42
Iran	105	} 70
Iraq	68	
Kuwait	114	
Libya	72	
Saudi Arabia	119	
The USSR & Eastern Europe	294	240
World Production	1702	1661
Western Europe		421

Source *Die Zeit*, 25 8 67

L. Yasmin is an expert on the Middle East now living in London.

REFERENCES

- O'Connor, Harvey: *Empire of Oil*. John Calder, 1956
- Obermann, Karl: *Die Beziehungen des Amerikanischen zum Deutschen Imperialismus*. (The Relations between the American and the German imperialism) Ruetten and Loening, Berlin, 1952.
- Henriques, R.: Marcus Samuel (1st Viscount Bearsted); Barrie & Redcliffe, 1960.
- Obermann, op. cit.
- Coston, Henry: *Les Financiers qui menent le Monde*. (The Financiers who run the World); La Librarie Francaise, Paris, 1955.
- Gerretson, F. C.: *The History of the Royal Dutch Petroleum Co*. Brill, Leyden, 1953-57.
- Storrs, Sir Ronald: *Orientalism*. p. 414; Nicholson & Watson, 937.
- Documents on German Foreign Policy 1918-45*. Series D. Vol. V. pp. 752, 775, 904, 905, 932, 936, etc. Stationery Office.

- Hobman, J. B.: *Palestine's Economic Future*. (Introduction Fieldmarshall Smuts) pp. 30, 31, 105, 137. Lund Humphries & Co. 1946.
- The World Today*. Chatham House, 1954.
- Pichon, J.: *Le Partage du Moyen Orient*. p. 331, (The Partition of the Middle East). Peyronnet & Co. Paris, 1938.
- Werth, Alexander: *France, 1940-55* p. 23. Hale, 1956.
- Haxey, Simon: *Tory M.P.*; p. 231. Gollancz, 1939.
- Tietze, Hans: *Die Juden Wiens*. (The Jews of Vienna). Vienna, 1933.
- Landes, D. S.: *Bankers and Pashas*: Heinemann, 1958. Rothstein, Th.: *Egypt's Ruin*. A. C. Fifield, 1910. Karanjia, R. K.: *Arab Dawn*, (Lawrence and Wishart) 1960.
- Martin, James Stewart: *All Honourable Men*. Report by the Chief of the de-Cartellization Branch of the US Military Government in Germany. pp. 53-4. Browne, Little & Co., Boston, 1950.
- Browne, E. G.: *The Persian Revolution, 1905-6*. University Press, Cambridge, 1910.
- Manuel, Frank, E.: *The Realities of American-Palestine Relations*. pp. 250-1 Washington, D.C., 1948.
- Lewinsohn Richard (Morus): *Wie sie reich und gross wurden*. (How they got their Money); Ullstein, Berlin, 1927.
- Henriques, op. cit.
- Ausubel, N.: *Pictorial History of the Jewish People*. p. 299. Crown, N.Y., 1954.
- Lewinsohn, op. cit.
- Rossi, Pierre: *L'Irak des Revoltes* p. 96 (Revolutionary Iraq). Seuil, Paris, 1962.
- Michael Sayers and A. Kahn: *The Great Conspiracy*. Boni & Gaer, N.Y., 1946.
- Chamberlain, H. St.: *The Foundations of the Nineteenth Century*. Introduction by Lord Redesdale grandfather of the Hon. Unity Mitford, Hitler's friend.
- Dodd, W. E.: *Ambassador Dodd's Diary*. pp. 25, 26, 103, 196, 170, 215, 296, 300, 345, 346, 363, Gollancz. 1941.
- Reimann, Guenther: *Patents for Hitler*. pp. 95-107. Gollancz, 1945.
- Pritt, D. N.: *Star Spangled Shadow*; Muller, 1947.
- Hamzavi, A. H.: *Persia and the Powers*. Hutchinson, 1946.
- Hansard: *House of Commons*: May, 20, 1968.
- Times*: August, 2, 1968.

(Continued from page 8)

The Communist Party of China has for many years successfully operated a policy which avoids these twin errors. They call it the 'mass line'. We should not allow our healthy reaction to the slavishness of the CPGB over many years, to blind us to the necessity of learning from the advanced experience of other communist parties.

Widespread study and discussion in Britain of Lin Piao's Report will help Marxists to break away from the amateurishness which is a great weakness at the present time, and proceed to build a party in the course of struggle which really can lead the British working class to rally the majority of the people around it in order to seize state power and establish socialism.

Labour's Insurance Scheme

Advance or deception?

by David Hall

ATTACKED for economic and political failures and for burial of election pledges, the Labour Government has claimed in defence at least a fine record of social reform with, as centre-piece, the changes in National Insurance and Superannuation to relate benefits to earnings.

The Government argues:

- 1 that existing arrangements, by which workers pay flatrate contributions and receive standard benefits, have become quite inadequate, demonstrated by the fact that 30 per cent of all pensioners today have to be given supplementary benefits.
- 2 that the new scheme will give rates of benefit sufficient to live on, even in the case of workers with low earnings whose contributions are proportionately limited.
- 3 that as earnings rise, the income of the scheme will automatically increase, enabling the government to make further increases in benefits.
- 4 that the universal application of the scheme guarantees its benefits to all workers, however they may change jobs.

What really is the nature of the scheme for which these claims are made? To answer requires consideration of some basic points. Money represents a claim on goods and services. What then is involved in 'saving' money to provide a pension? If money is 'saved', what is the saver's eventual enjoyment of goods and services?

People 'save' by giving their money to others — banks, building societies, companies and, under the National Insurance and Superannuation scheme, by paying contributions to the government. The receivers of the money use it. Banks lend to their customers, who spend the money on current goods and services. Building societies lend borrowers money to buy houses and they pay this into the hands of the sellers or builders of the houses. The government uses its receipts to meet its expenditures — on arms, administration, debt interest, social services, payments of benefits, etc. The formal division of government finance among different funds and the description of different kinds of revenue by different names does not affect the essential reality that on one side the government

takes in money from varied sources of taxation and borrowing, and on the other pays out to cover its expenditures.

What is called 'saving' is not a cessation of consumption of currently-produced goods and services but a change in who consumes.

The 'savers' withhold their consumption but the spending power they give up is rather transferred to others who use it. There is no reduction in the present consumption of goods and services but a change in the money-claims in the hands of different people. The 'savers' give up the exercise here and now of their money-claims in exchange for promises that at a future date they will have a money-claim on the goods and services available then. It is from future production that their claims have to be met. For a saver to judge the worth of this exchange he must, of course, judge the money figures involved — what he gives up now as against what he is promised for the future. But if he is to safeguard his real consumption he must also judge the worth of money now and in the future. When 'savers' put money into a bank or with a building society they can decide for themselves whether they think this is worthwhile. They take a voluntary decision. If they think it is not to their advantage to save, they do not. But there is no free choice about National Insurance. Contributions are taken by law and are, in fact, taxation.

The reality of the National Insurance scheme is therefore that the workers are taxed now in return for promises of future benefits. Whether the exchange is advantageous depends on the balance between what they must go without by bearing the taxation now as against what they receive at some future date.

The National Insurance White Paper gives some figures of the future inflow and outgo of monies under the scheme. It includes on the inflow side not merely contributions but also investment income; that is, interest and dividends on monies the government has taken in from contributions and which it has invested. This investment income is represented as enabling insurance benefits to be above the level made possible by the contributions themselves. But investment income is surplus value taken from the workers. It is simply another levy on the workers under a different name. Investment income is not a bonus for the workers coming out

of the blue. It is part of the workers' payments in. **Thus the way to judge the scheme is on how its total intake of money is matched against what it pays out.**

The White Paper states that at the scheme's start there will be a surplus of government receipts over out-goings. How long will this last? The White Paper is reticent, saying that this 'depends on a number of factors. Most important among these are: the extent to which, over the years, the growing national income will permit improvements in the real value of pensions after award; the arrangements for contracting out; and the number of employees covered by these arrangements.' Not until 1987/88 is it expected that outgoings will match receipts. **Thus for the next twenty years the government will take more from the workers than it pays out in benefits.**

Wilson has said that a week is a long time in politics. If a week is a long time, can we rely on promises for twenty years ahead? What is clear is that the workers have to pay more **now**. The resulting reduction in their consumption is admitted in the White Paper statement: 'The resulting surplus in the scheme's early years will have a restraining effect on the pressure of demand.' It goes on: 'The new scheme requires people to spread their income more evenly throughout their lives so that they have somewhat less during working life and substantially more during retirement.'

Having less now is immediate and definite, but the gain during retirement depends on the fulfilment of government promises and the future value of money. How reliable has the Labour Government been in fulfilling promises to the workers? If the Conservatives succeed Labour, will their reliability be any better?

The fundamental nature of what the scheme seeks to do makes it **deception not great social advance**. The strategy of the Labour Government in relation to the economic and financial pressures on British imperialism has been to try to meet them by squeezing out resources from attacks on the workers' living standards. This is the meaning of the 'restraint' on wages, of higher prices, of heavy tax increases (mostly regressive). The National Insurance scheme is part of the tax increases, sugared by promises for the future.

Figures in Table 7 of the White Paper make this quite clear. In 1972-73 the scheme takes in £398 million more than it pays out. In 1977-78 the excess is £283 million. In 1982-83 it is £176 million. Only by 1987-88 is the outgo estimated as being more than the intake, and then merely by £21 million.

Edmund Burke said: 'It is not given to man to tax and to please.' So the Labour Government calls

taxation something else; indeed, praises it as social advance. But real social advance would mean increasing the workers' benefits **now** and finding the money by taxing the capitalists.

This is not to suggest that changes in benefits and taxes can alter fundamentally the class relations between workers and capitalists. It is in the nature of capitalism that the workers receive as wages merely a payment for their **labour power**, valued as a commodity, but that the **labour** they expend during their hours of work produces far more value than this, and the excess is taken by the capitalists as surplus value. There has been unceasing struggle by the workers to raise wages and obtain benefits through legislation and reforms, but all the evidence suggests that the relative shares of workers and capitalists have changed little. Britain's wealth is still overwhelmingly in the ownership of a tiny minority. It does not follow that the struggle over wages and benefits has been useless. Without it the capitalists would have tilted the balance further in their favour. But the struggle over wages and benefits is in itself a limited struggle in which the workers run hard, as it were, to stay in the same place. It is a struggle which can be ended only by being extended beyond arguments over the 'fair' division of wealth between workers and capitalists to a struggle for the ending of the system which has on the one side the capitalist class which exploits and on the other the working class which is exploited. To develop struggles over immediate issues into struggle for the revolutionary reconstruction of society is the way to real advance.

DOLLAR IMPERIALISM

'In certain British industries, American companies play a dominating role. They supply more than one half of the cars, office machinery, sewing machines, earth-moving equipment, domestic boilers, shoe-making machinery, breakfast cereals, cosmetics and toilet preparations, vacuum cleaners, pens and pencils, razor blades, foundation garments and films produced in the UK and nearly half the petrol and drugs sold to the National Health Service.'

In 1965 there were more than 1,600 American subsidiaries and Anglo-American financed firms operating in Britain.

In 1965 such firms employed 6 per cent of the labour force in manufacturing industry; supplied 10 per cent of the total goods made in British factories and accounted for 17.5 per cent of our visible exports.

Source: "The Role of American Investment in the British Economy John H. Dunning. February, 1969, PEP.

TENANTS' MANIFESTO

prepared by the St Pancras (Camden) United Tenants' Association

THE FIRST DRAFT of the Tenants' Manifesto was produced in November 1968 and after criticism and discussion was amended in January 1969. It is a reflection of the way we saw the tenants' struggle, less than six months ago, that on re-reading we saw a number of serious omissions. In order to bring the reader up to date with developments we would like to touch briefly on these.

Almost immediately after the second draft we realised that we had failed to mention anything about land. Inseparably linked with scarcity and falsely inflated prices any demands about land can only be linked to the long term struggle in the same way that the demand for the abolition of all debts to the City is made in the Manifesto. There is no short term solution to the problem of land but we recognise that we still have to go into the subject much more deeply.

Another aspect of the housing question is so-called 'welfare'. Many families who are made homeless because of landlords seeking higher profits or for various other reasons, are taken into 'care' by the welfare departments of local councils. Our recent experience in Camden has been with a 'welfare' tenement in Raleana Road, Poplar. Here tenants are without hot water, baths and adequate sanitation.

This is only our local experience but it is a good illustration of the totally inadequate way in which the state deals with the problem. These types of buildings, rather than decreasing, have in fact increased over the last few years with more and more families

becoming homeless.

So housing 'welfare' instead of being a passing phenomenon has become part of the system since the ruling class are unable to solve the housing problem. It is in a situation like this that the re-emergence of squatting must be seen. Unlike the movement following world war two, today the majority of people who 'squat' are families of young people. To do justice to the whole question of squatting and the relationship between the post-war movement and today it would need an entire article rather than a few lines.

There is only a passing reference to the legal system in the Manifesto, a minor point we thought — until recently. A section of the GLC tenants, on rent strike since October, have been fooled by political misleaders into taking the question of their rent rise to court to get it declared illegal. Whilst most people with any knowledge of class struggle recognise the role of courts etc, it is not easy to get it across to tenants taking part in political action for the first time. It holds a clear lesson for us all on the manoeuvring of the social-democrats.

Important practical work has so far denied us the time to revise the Manifesto although we have borne in mind the points made above and intend to take action. We would therefore welcome any criticisms or suggestions, not just from people engaged in tenants work but from anyone who feels they have a contribution to developing the Manifesto as a living document.

* * *

WHAT IS THE HOUSING PROBLEM, and what is it a part of?

To study the housing problem correctly and arrive at a realistic solution we must take a look at its history and the political and economic system of which it is a part.

The history of the problem is bound up with the development of capitalism in Britain and the world. The Industrial Revolution in the nineteenth century brought about the boom of large dingy cities and the development of sub-standard worker's homes on a gigantic scale. The capitalist ruling class drove farm labourers from the land so that they could mind the machines of the growing industries. The problem of housing the growing

working-class was 'solved' by the construction of hundreds of thousands of cheaply built houses from which high rents were charged. They were built for profit and the demand was never fully met because that would have caused a decline in rents and a cut-back in capitalist building.

Here we have the essence of the housing problem and the essence of capitalism; production for profit not for the needs of the people.

Capitalism developed to the monopoly stage, where big banks and super giant industrial combines worked together to oppress and exploit the British working class and the people of the world. This is the situation today. but there has been no change in the essence of capitalism or the housing

problem. The housing problem remains profit motivated although the form has changed somewhat (ie Council-Housing etc). In order to understand the problem today we must look into the modern day monopoly capitalist system which exists in Britain, as in Europe and North America.

This system has two aspects:-

1 Monopoly Capitalism at home: Monopoly industry, including the building industry, with the banks and insurance companies, is the class interest on which the society is based. The state (Parliament, civil service, the army and police) organise and centralise the needs of this capitalist complex. The State carries out the will of the capitalists by holding the mass of the people in a position whereby the capitalists have maximum freedom to make profits out of the labour power of the working class.

In housing, the tenants' dissatisfaction with high rents, shortage and poor conditions, meets with the power of the State in the form of council and housing ministry bureaucracy, county court Bailiffs, police etc. The tenants resist the oppression of the moneylenders and building sharks who grow rich out of the tenants misery, but the State is on the side of those sharks.

Elections only give the people a chance to choose who will rob them next. The system of exploitation continues unshaken through all parliamentary changes. There is only sham democracy for the working people and the only people who have real democratic rights are the money-lenders and big businessmen.

The organs of mass propaganda, the press, TV and radio, are in the hands of big business and capitalist state. When they report any issue involving workers' or tenants' struggle it is clear to see whose interest they serve.

2 Abroad: All modern capitalist systems are connected economically and politically to each other. They are tied to and are subordinate to US imperialism. Imperialism is the international face of monopoly capitalism. Imperialism exploits and oppresses large sections of the world. Huge profits are screwed out of extremely low paid workers for American, British and other corporations in Asia, Africa and Latin America. If these workers rise against their masters they are attacked by foreign armies equipped with the latest weapons.

In recent years the Soviet Union has joined the ranks of international capitalism and now collaborates and competes with US imperialism to hold the world's people in subjection. It has a special role in that it is able to mislead those struggling for freedom and independence from imperialism by the use of hypocritical phrases about socialism.

General: These are the realities around the housing question, but it is not at all the whole picture. Monopoly capital is not secure in its exploitation of the people of Britain, Asia, Africa and Latin America. Intensifying economic and political crisis is rocking international capitalist rule. Financial crisis is more and more frequently panicking the boss class in Europe and North America.

Liberation movements abroad cast off the power of imperialism, despite the latter's military might, by relying on their own creative efforts and the combined strength of the mass of ordinary people.

In Britain the capitalists and the capitalist state are becoming more oppressive, in an effort to maintain their power throughout crisis. However, there can be no lasting solution to capitalist crisis except that capitalism should be done away with by the working class and the old creaking oppressive system be replaced by socialism. The need for the workers (as workers and tenants) to break the power of the capitalists and the capitalist state is the objective need of our movement; we cannot expect any lasting solution to the housing problem without this. Socialism is not the 'Socialism' of the Labour/Communist Parties, which amounts to no more than parliamentary reforms which can be easily overruled by the Capitalists, but the power of the working people to build a society free of capitalism, exploitation and oppression.

In this preamble we have briefly analysed the roots and nature of the system which creates the Housing Problem. The next part of the document looks into the particularity of the problem and lays out the objectives the tenants will pursue and their methods of struggle.

* * *

THE HOUSING PROBLEM as it directly affects tenants has three main features:-

- 1) Acute shortage.
- 2) High Price.
- 3) Poor quality.

These three features are familiar to any tenant especially those who live in our big cities. They have dominated the housing situation since Britain became an industrialised country. At the present time, the tendency is toward; housing programme cutbacks, which aggravate the shortage; increased rents, for those homes already built; and further deterioration of building standards. Flats and houses under construction are too dear for most working people to afford.

The problem facing a young family, in need of a decent home, is enormous. The latest increase in the number of families broken up, as a consequence

of the worsening problem, is evidence of the fact the problem will not be solved by those who frequently promise action from Parliament. With rents rising steeply, building disasters, and frequent subsidence of newly built estates, the tenants are more and more driven to take militant action in defence of their living standards and safety. This spontaneous upsurge of tenants' militancy is a clear measure of the fact that the problem is worsening.

The Cause of the Housing Problem

Housing is big business. Housing is a source of immense profit to those who lend money for building, and also for the building contractors.

There are no profits without scarcity. For the capitalists there is no question of building sufficient homes, for that would lower the price and reduce the rate of profit. In plain terms, this means that there will always be homeless, high rents and sub-standard dwellings if profit making is to be the motive for those who build. This is the root cause of the housing problem.

The Housing Problem and Council Tenants

Council housing is dominated by the big banks, insurance companies and finance houses. The total amount of money owed by local authorities to the City, in England and Wales, is £5,000,000,000¹. The City lends to local authorities (usually through the Government appointed Public Works Loan Board) at 7 per cent to 8 per cent² interest over a period of several decades. The history of this relationship, between local authorities and the City, shows that the City receives back twice as much as it lends in interest alone. This is why the tenant pays 15/- in every £1 of his rent in interest back to the moneylenders.

It is against this background that councils complain of lack of funds. In fact, rents rise, and housing programmes and repairs are cut short because the City lies like a huge millstone around the necks of the tenants. For council tenants the greatest priority is the removal of city strings from housing.

The situation is further aggravated by the high cost of building. The contractors, who form a tightly knit ring, a monopoly in fact, wring enormous profits from housing. At present they make around £230 000 000 per annum, and this figure has doubled over the last ten years. Of course, the contractors are not separate from the City of London: they are financed by bankers and have bankers as directors. The interests of the two are the same.

Private Housing

This covers many forms of housing, including; investment trusts, church trusts, property companies down to Mafia-type syndicates. They own blocks of

modern flats, ancient tenements, rat infested slum terraces. Again their finances are linked with big business, but there is none of the seemingly democratic apparatus of local councils. They are in housing as a business and good business it is too.

The drive to high profits is usually open and intense. One terrace house can be converted into a dozen flats. With the extreme shortage of accommodation takers can be found to pay £5 per week or more for a damp room 10ft by 8ft. Thousands of families are obliged to live in these conditions especially in Britain's big cities. These are facts of life for young couples starting a family.

In these wretched conditions, security of tenure is almost non-existent. Although the tenants have recourse to a Rent Tribunal, if the landlord tries to evict, the Rent Tribunal cannot stop the landlord or his agent hounding a tenant incessantly. A tenant who has taken his case to a Rent Tribunal will have his life made absolutely impossible and the harrassment will be almost impossible to prove in court. Figures prove that more landlords have benefited from Rent Tribunal decisions and this adds to the forces stacked against the tenant.

It cannot be overstressed, that when building is geared to profit, there must be scarcity. This means homelessness and no real security of tenure.

The Owner Occupier

With the housing situation as it is, we cannot be surprised that tenants are often driven to selling themselves to a building society in the effort to buy a home. It is not always a building society, it may be a local council lending the money, or a local council offering a flat on similar terms. This is no escape. Interest payable for the owner occupier is of the same proportions as that payable by all other tenants indirectly to the City of London.

The cost of a house, after interest is paid, is often three times that of its value. The period, over which it is paid, is one of constant worry and frustration. In the same way that other tenants are not free from increasing rents, threat of eviction, and landlords harrassment, the man with a mortgage is shackled to a building society for the best part of his life. He too is being exploited by the City.

Owner occupiers are again driven to take advantage of the shortage and often let out rooms to balance up their interest charges. Sometimes, they even become full-scale landlords themselves, and begin ruthlessly to exploit families already at the mercy of big business. This chain of events grows spontaneously in a housing system geared to profit.

The Tenants' Struggle

Quite clearly, all tenants (council, private and owner occupiers) are being turned over by the City and big business. The solution to the problem

lies in the elimination of profit in housing. In fact this means the elimination of the capitalist system and the emancipation of the working class. The tenants' struggle is a part of this class struggle.

The main area of class struggle, the factory floor, cannot be seen separately from the tenants' fight. Militant workers struggling against the moves of the state and employers to restrain wages and emasculate the power of the trade unions must be fully supported by tenants.

Our aim, is an ambitious one, but its attainment is not only inevitable, as capitalism declines, it is absolutely necessary. It involves the recognition of the long drawn out struggle to unite all tenants and workers to strike at the enemy — the City and big business, and to win. A new concept must come into the tenants' struggle. In the past there have been many instances of tenants' struggle against increasing rents. Although they were successful in that they brought about reforms, they did not seriously affect the housing problem. They did not dig out the rotten housing system root and branch. It is necessary for the struggle to be carried beyond reforms or a particular rent increase, and to demand the elimination of profit in housing.

Therefore; tenants make this their main demand: The abolition of all outstanding debts to the City

This includes the £5,000,000,000 owed by councils. all money owed by mortgagees, and entails no compensation whatever to the city parasites.

Let all supporters of the tenants movement stand or fall by their support for this demand.

In the shorter term the tenants will fight against:-

Rent Increases. This will be regardless of party or persons increasing them, and the struggle will be seen as a long term one to reduce rents and weaken the cities power.

Poor Conditions. All premises should be kept in good repair, by the landlord, whether it is profitable or not to do so. The tenants needs must come first.

Evictions. Evictions will be resisted at all costs. There is no security, unless the tenants are prepared to fight.

Racialism. Immigrants get a worse deal than any other section of the tenants. Oppression of immigrants will be resisted. Further, racialism is incompatible with the aims of the movement. Therefore, it will be combatted in our organisations.

We will also fight for:-

1 Halls, available to all tenants at no charge, with no political restrictions attached. This is necessary if the tenants are to have the freedom to organise properly.

2 Abolition of all rebate schemes, and differential rent schemes. This only splits the tenants and makes the councils' robbery easier. Give the tenants lower rents instead.

3 Make public the whole truth behind the housing problem, and expose the system for what it is.

If the struggle for this main aim and the shorter term demands is to be effective, the tenants must be aware of the role played by the government, local councils and the present political parties. Further, a clear idea of strategy and tactics for the tenants movement must be laid down. In the remaining parts of this document these problems and the problems of tenants' unity are examined.

The Government, Local Councils and the present political parties.

The Government is the servant of the money-lenders and big business. It is for their interests that we have wage restrictions, a high bank rate, and a mountain of bureaucracy to smother the tenants protests. The police force, bailiffs, and district auditors (in London) will carry out the orders of landlords against tenants. They will not carry out legislation which would protect tenants. This legislation (eg 1965 Rent Act) is a useless showpiece which in fact works against the tenant.

The farce of elections to government and council often feature promises and programmes on the housing question. They promise low interest rates, lower rents, slum clearance etc. These promises go the way of all demagogic election pledges. In fact, the government and councils cannot and will not take action against the city and big business, because their power does not rest on the people but on big business itself. Often big business interests are presented by politicians as the 'National Interest'. In this way, the needs of the mass of tenants are ignored and the exploitation of tenants is intensified 'in the National Interest'. That is, in the class interest of big business.

The Government shows its complicity with the city in many ways. The most striking example is the district auditor system in London. Any borough which elects a majority really dedicated to keeping rents down will find itself thwarted by the government-appointed district auditor, who has power to make councillors personally responsible for amounts by which the housing account falls in the red. He can coerce a council to increase council rents. He ensures that the city gets its interest in good time. Clearly, the tenants movement cannot hope to achieve its end of eliminating the city from housing by pushing the Government to do it for them.

The present political parties make their promises without making the tenants aware of these facts.

Sometimes they lead the tenants in a short-term struggle, a rent strike or a march, without making clear to those they lead, what can be achieved. Usually these struggles are fought, not to attain the tenants ends, but to secure a career in council or parliament for some ambitious demagogue. Many fine struggles of tenants in the past, against Tory councils, have been dissipated when Labour was returned. The struggle is the same whether Labour or Tory occupy the town hall or Westminster because they both serve the city.

The Solidarity of Tenants

All tenants unite against the main enemy. Fight against everything that weakens our struggle. The politicians have great experience and knowledge of weakening the tenants fight.

Here are the main things to guard against:-

Racialism: Racialism is the greatest killer of any working class struggle. It is used by the City's newsmen and propagandists to divert the struggle away from the real enemy, and to provide the ruling class with a scapegoat for its own crimes. In housing, the tenants are often told that the problem is caused by immigrants. This is nonsense, which contradicts the simple fact that the problem has been with us for over a hundred years, since housing became game for profiteers. When racialism grips the working class, the capitalists have it all their own way, as when Hitler came to power in Germany.

Rent Rebates: When councils increase rents, they usually offer a little back 'for those who cannot afford the rent increase.' This rebate does not alter the fact that the rent is increased but it has the effect of lulling some tenants into acceptance of the increase. It also has the affect of creating controversy between tenants, thus taking the spotlight off the council and their city backers. This weakens the tenants struggle.

New Flat Mentality: A great many of the flats that are being built are of the semi-luxury type. They have extremely high rents. They have central heating, and mod-cons. They give the tenant, more used to the usual decrepit dwelling a feeling of gracious living. The fact is, they are not worth the rents that are paid for them. The city is making the same profit as on other dwellings, and they are subject to the same rapid deterioration. But tenants in such flats may quickly adopt attitudes out of relation to their real condition and detach themselves from the struggle that they are really a part of. This again weakens the tenants movement.

Private or Council: We are often told that council tenants are subsidised out of the rates, or that council tenants do not pay rates. Firstly, council tenants all pay rates and secondly we can hardly

speak of 'subsidy' in a situation where three quarters of all tenants rents go in interest to the city. Any illusions held by private tenants that council tenants are privileged, do not consider the main matter and weaken the struggle of both private and council tenants by building up a secondary issue.

Tenants Strategy and Tactics

The cause of the housing problem is profit in housing. This is inevitable as long as capitalism rules in Britain. Capitalism rules by means of violence and deceit. Part of the deceit is the lies of all existing parties. Tenants must direct their efforts in unity against the City of London in line with the main aim of this document. Where efforts are made by demagogic politicians to restrict and confine the tenants struggle against the city, they must be exposed and thrown aside. This particularly applies to those who wish to destroy genuine tenants' politics under the slogan 'no politics' in order to replace the political aims of the movement with the political aims of parliamentary careerists. This struggle is political and a part of the whole struggle of working people to be free to determine their own future. Further, a genuine political party of the working class is required to unite and lead all workers' struggles for their emancipation.

Tenants must make the City aware, that the tenants recognise them as wholly responsible for the housing problem. This means that the object of the future action for tenants cannot be that of imploring 'left' MPs etc to continue the struggle for the tenants. In fact, if these people wish to show their concern for tenants, let them uphold the demand to abolish all outstanding debts to the city.

The tactics of tenants should be unrestricted by any other consideration than effectiveness in carrying forward the aims laid down. Therefore, any type of tenants action is permissible if it carries the movement forward. Also no action should be considered which would harm any section of the movement which fights for the aims of this document.

The future will be a new awakening of tenants and real successes in tenants struggle. Demonstrations against the City by the tenants could firmly expose the main enemy of all tenants. Every new struggle of tenants gives the City parasites the jitters. In the past, their friends in the councils and the police force have been able to cut off and defeat the tenants in the long run. Now, if the main aim is carried through, the traitors in the movement beaten, and the long-term nature of the struggle recognised, the opportunity of lasting success will be within the tenants' grasp.

1 HM Stationary Office March 31st, 1966. The actual figure is £5,085,000,000.

2 Part of P.W.L.B resources is the City: the other part comes from the workers' taxes. City interest rates prevail.



THE
THEORETICAL JOURNAL
OF THE PROGRESSIVE
LABOR PARTY
in the UNITED STATES

Annual Subscription	£1
Single Copies	4s

The PLP, including Marxist workers and students and those active in the Afro-American struggle in the USA, is applying the principles of Marxism-Leninism to its study and work.

Publications of the PLP may be obtained from:
W. ASH
FLAT 9
43 MOSCOW ROAD
LONDON W2

CHINA'S CONTINUING REVOLUTION

by **William Hinton**

The author of **FANSHEN** returns to his subject in the light of the Cultural Revolution

A China Policy Study Group
Pamphlet. Price 1s 6d from
62 Parliament Hill London NW3

STUDENTS AND THE WORKING CLASS

An important set of documents on the Student Movement and problems of Worker-Student alliance, prepared by the **JOINT COMMITTEE OF COMMUNISTS**

Copies from: **M. Leatt**
1 Grovedale Rd N19
1s plus postage