WHAT WENT WRONG?

REFORM AND REVOLUTION

NORTHERN IRELAND

VIDEO GAMES AND VIRTUAL REALITY

60p
WHAT WENT WRONG?

The Bolshevik revolution in October 1917 represented a great step forward in human history. It was the first time that state power had been seized with the object of ending the exploitation of man by man.

The event aroused great hopes and great expectations, and the subsequent failure of the experiment, the collapse of the soviet system, has given comfort to the forces of reaction and raised doubts in the minds of many who were previously attracted to Marxism as a political philosophy.

Marxists have the duty to attempt to analyse the cause of the collapse so as to learn from past mistakes in order to avoid making similar mistakes in the future.

The prime responsibility for this lies with those comrades who have the benefit of first hand experience, but those of us who have been mere observers need to draw some conclusions based on facts garnered from both soviet and capitalist sources in order to improve our understanding of problems that can be encountered during the transition to socialism, and so avoid going for simplistic solutions to real problems.

The immediate cause of the collapse was the inability of the leadership of the CPSU to resolve the ongoing contradiction between the productive forces and the relations of production.

When Stalin, shortly before his death, wrote a pamphlet entitled Economic Problems of Socialism, he drew attention to a dispute that was underway in the S.U. concerning economic theory:

'Some comrades deny the objective character of laws of science, and the laws of political economy particularly, under socialism. They deny that the laws of political economy reflect law-governed processes which operate independently of the will of man. They believe that, in view of the specific role assigned to the Soviet state by history, the Soviet state and its leaders can abolish existing laws of political economy and can 'form', 'create', new laws.

These comrades are profoundly mistaken. It is evident that they confuse laws of science with the laws issued by governments which have only juridical validity. But they must not be confused.' p5

On page 11:
It is said that the necessity for balanced (proportionate) development of the national economy in our country enables the Soviet government to abolish existing economic laws and create new ones. That is absolutely untrue. Our yearly and five-yearly plans must not be confused with the objective law of balanced, proportionate development of the national economy. That law of balanced development of the national economy makes it possible for our planning bodies to plan social production correctly. But possibility must not be confused with actuality. It cannot be said that the requirements of this economic law are fully reflected in our yearly and five-yearly economic plans.

He then goes on to discuss the law of value under socialism:

"It is sometimes asked whether the law of value exists and operates in our country, under the socialist system. Yes, it does exist. Wherever commodities and commodity production exist, there the law of value must also exist. True, the law of value has no regulating function in our socialist production, but it nevertheless influences production, and this fact cannot be ignored when directing production. As a matter of fact, consumer goods, which are needed to compensate the labour power expended in the process of production, are produced and realised in our country as commodities coming under the law of value. It is precisely here that the law of value exercises its influence on production. In this connection, such things as cost accounting and profitableness, production costs, prices, etc. are of actual importance in our enterprises. Consequently, our enterprises cannot and must not function without taking the law of value into account. The trouble is not that production in our country is influenced by the law of value, the trouble is that our business executives and planners, with few exceptions, are poorly acquainted with the law of value, do not study them, and are unable to take account of them in their computations. This explains the confusion that still reigns in the sphere of price-fixing policy." (our emphasis)

Another associated problem was that of transfer prices.

The need for a pricing policy arises from the fact that, although in a transitional economy, (and the Soviet economy has never been anything other than transitional), the chief means of production are owned by the state. The state cannot directly control the activities of each individual economic unit because it cannot control the details of production in every one of them. Each of them must, for practical purposes, have a certain amount of autonomy, therefore there must be a regulated economic relationship between units, and between them individually and the state. The products that pass between them mostly circulate by way of purchases and sales, and can be regarded as commodities for all practical purposes, therefore they must have prices attached to them. As the economy becomes more complex, the problem becomes more acute.

The problem of how to relate price to value in this sphere was, according to Charles Bettelheim, in his book The Transition to Socialist Economy, debated at length throughout the 60s and 70s, but without reaching a commonly agreed formula. It was this failure which led a body of economists in the Soviet Union and Eastern Europe to opt for the 'market solution', i.e. allow market forces to influence or even determine the price of consumer goods.

Capital goods were purchased by central authorities and then allocated to individual units, so that there was never any question of them being within the sphere of commodity circulation. We do not know the financial arrangements involved in this transfer, but something evidently went seriously wrong because a huge amount of capital was wasted.

Too many buildings were started without due consideration of material and labour availability, with the consequence that unfinished buildings proliferated.

Taking 1960, the base year, as 100, output per unit of fixed capital had, by 1985, declined by almost 40% in industry and over 70% in agriculture and construction.

Katachurov, a Soviet economist, compared the increase in the amount of capital per industrial worker with the rate of increase in output per industrial worker over three periods -

<table>
<thead>
<tr>
<th>Increase in</th>
<th>1950-55</th>
<th>1955-80</th>
<th>1980-85</th>
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<tr>
<td>capital per worker</td>
<td>50%</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>Output per worker</td>
<td>49%</td>
<td>37%</td>
<td>26%</td>
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<tr>
<td>Difference</td>
<td>-1%</td>
<td>-7%</td>
<td>-17%</td>
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Bettelheim reveals that as far back as 1962, a census and some samplings carried out by the USSR Central Statistical Office showed that about half the stock of machine tools was not being used. The same investigation revealed that there was about six thousand million roubles' worth of plant which had not been installed. This corresponded to approximately half of the investment in new plant.

Gorbachev, in his report to Central Committee, June 25-26 1987, had this to say about the misuse of capital resources:

"Comrades, today as we discuss the radical restructuring of economic management we must keep a realistic picture of the state of our economy as we entered the 1980s. By that time the rate of economic growth had dropped to the level which virtually signalled the onset of economic stagnation. . . . The desire to check declining growth rates by extensive methods brought exhorbitant outlays for the fuel and energy branches and hasty commitment of new natural resources to production, their irrational use, an excessive growth of demand for additional labour and an acute shortage thereof in the national economy with a decline in the output-per-asset ratio."

It is pretty obvious that the theoretical problems concerned with pricing had not been satisfactorily resolved during Stalin's lifetime but, nevertheless, up to 1958 the rates of economic growth had been of the order of 10%-12% p.a.

The problems began to mount after the Twentieth Congress at which Kruschev stated that the building of socialism had largely been completed and that the stage was set for the transition to communism. Lavish investment plans were drawn up with the avowed intention of achieving that objective within a short space of time, 200,000 tractors had been sent to those areas, along with 35,000 volunteers. For a few years the increase in output was phenomenal by Soviet standards; within the space of fifteen years the whole area had become a dustbowl.

The upshot of all this was a colossal waste of productive labour.

Volume was the only thing that mattered because the leadership had raised expectations that the Soviet system could outdo the capitalist system in the provision of consumer products. In socialist society, efficiency is measured by the total amount of labour hours taken to provide for the material requirements of that society. Therefore increasing efficiency is a matter of reducing the number of labour hours taken to produce a given volume.

The primary purpose of using machinery is to reduce the total amount of labour time taken to produce a given item. This total must include that proportion of the congealed labour embodied in the machine that is used to produce that item. The bottom line in this respect is the number of items that can be turned out before the machine is worn out, but usually the datum line is obsolescence.

It must also be remembered that extended reproduction in any economic system requires that each productive operation produces a surplus. Only living labour can create a surplus over
and above its own value. As the organic composition of capital increases, the amount of living labour embodied in each unit, article, is diminished so that although the ratio of the surplus value to the living labour may be the same, or even increase, the ratio of that surplus in relation to total capital (living labour + dead labour), actually has a tendency to decline. In capitalist economies this is expressed in the tendency for the rate of profit to fall.

In a socialist economy the same thing occurs, but it is expressed as a tendency for the rate of surplus to fall. Therefore, the application of machinery only makes economic sense if it reduces the total amount of labour contained in each item and produces a big enough surplus to enable extended reproduction to take place.

In money terms, the reduction in the amount of labour per item is expressed as a reduction in unit costs. All the evidence is that, from the 1950s onwards, unit costs, at a system level, actually increased rather than diminished. It was a sure recipe for disaster.

To make matters worse, bonuses were paid according to volume of output, so that workers and management found common cause in devising bonus schemes which may have increased output, but resulted in increases in unit costs.

The effect at a system level is shown by the calculations made by Katachurov to which we referred earlier. No wonder that Gorbachev's appeal to trade union officials at a factory level to 'stop dancing cheek to cheek with the management' fell on deaf ears.

It is of little use talking about the dictatorship of the proletariat if a substantial part of the working class is corrupted by bourgeois standards of morality.

WASTE
A Soviet economist, by the name of Hasbulatov, calculated that about 740,000 tons of meat were spoiled annually during processing, and that half the potatoes brought to the vegetable markets in Moscow rotted away. He said that many specialists believe that the proper preservation of what has been harvested, grown, and reared, could bring at least an annual 25-30% additional food.

Another economist, by the name of Shmelyov, wrote:

"In the sphere of the means of production there are physical shortages in only a few branches; construction materials, paper, small batch chemical products and high tech products, .... but as for oil, metals, machine tools, tractors or combine harvesters, they are produced in the USSR in considerably greater quantities, by world standards, than is necessary for reasonable needs, .... In treating our economic ills, the importance of the purely physical shortages of the means of production is minimal."

He then goes on to say:

"The purely physical shortages on the consumer goods market are not as significant as it is customary to think. We have enough razor blades, but only a fool would use them for shaving. There is no shortage of footwear, fabrics, clothing, furniture, but who needs the kind of things that our shops and warehouses are stocked with?"

In the construction sphere, probably the best example of deterioration in building standards came to light as a result of the earthquake which occurred in Armenia in the late 1980s.

The buildings constructed during the Stalin period mostly remained intact; those constructed during the Krushchev and Brezhnev period were destroyed.

The evidence that economic efficiency deteriorated during the 50s and continued to deteriorate thereafter, is overwhelming, and the responsibility for it must be laid at the door of the Party because it had failed to live up to its self-appointed role as the leading force in society.

THE PARTY
The major contradiction that the Party failed to resolve was the one most well known to all Marxists, namely the one between the productive forces and the relations of production.

According to Marx, the relations of production must correspond to the level of development of the productive forces, therefore, as the productive forces develop, the relations of production must change accordingly.

In the early 1980s an economist by the name of Tatiana Zaslavskaya made a report in which she argued that the problems that plagued the Soviet economy since the late 1950s reflect general weaknesses in the structure of the Soviet economic system. She made the point that, although the productive forces had developed since the 1950s, the relations of production, (i.e. the relations which people enter into in order to carry out
material production), had not undergone the qualitative restructuring which should reflect the changes that had taken place in the productive forces in the intervening period. She argued that

".... the structure of the national economy long ago crossed the threshold of complexity when it was still possible to regulate it effectively from one single centre."

She advocated that both the role of Gosplan and that of enterprises be strengthened.

The political argument for devolving decision-making downwards is, to our mind, incontrovertible because decision-making is a function of power, and the whole business of socialism is about people taking power into their own hands, but it raises the whole question of the relationship between the economic units and the centre.

Oscar Lange, a Polish economist who was prominent during the early post war years, put his finger on the essence of the problem:

The producers' control over production units is a control that must be exercised by the producers as a whole and not merely by the narrow groups of workers who produce within each of these production units considered in isolation. This control by all the producers over all the production units raises the problem of political democracy, and so of the democratic structure of the state. This raises what is meant, in precise terms, by 'the dictatorship of the proletariat'. There is a contradiction between the need to allow each production unit some freedom of manoeuvre, and the level of political consciousness of the workers in individual production units."

Even in a country such as Britain, the idea that a central planning authority could attend to every detail of economic activity is to dwell in the realms of phantasy, particularly when use value is taken into consideration.

It will be remembered that every article produced for consumption must have a use value, and that value is determined by the consumer, not the producer. That principle extends upwards so that the component producers must produce things that have a use value to the makers of the end product. In this sense, all production must be consumer orientated.

In the manufacturing process the end producer specifies the function which the component is required to perform. In capitalist society, if the component is inadequate its manufacturer either remedies the defect or goes out of business. That is not how socialism is supposed to work, but what other method is to be used to ensure that products meet consumer requirements?

With regard to consumer goods proper, how can it be ensured that the articles produced have a real use value?

Take the question of quality. If economic threats, (the sack for the individual, the closure of the factory), are to be dispensed with, the only alternative is the development of a high level of social consciousness.

We then come back to the question posed by Lange - "What, precisely, do we mean by 'the dictatorship of the proletariat'?"

In the Soviet Union the enthusiasm was there to begin with, and for a considerable time afterwards, so why did it wane?

In our view, the answer lies in the suppression of workers' initiative by the Party and the state.

Lenin described the trade unions as transmission belts by which Party directives would be transmitted to the workers. We all know that transmission belts are one way arrangements.

Stalin castigated those who spoke about contradictions between the Party and the working class. The leaders of the Soviet trade unions were appointed by the Party, not elected by the workers.

The leading role of the Party was written into the Constitution.

The 1936 Constitution of the USSR was arguably the most democratic ever adopted, but the part that we have underlined in article 126 was used in such a way that it virtually nullified the other Articles.

"In conformity with the Interests of the toilers, and in order to develop the organisational initiative and political activity of the masses of the people, citizens of the USSR are ensured the right to unite in public organisations - trade unions, cooperative associations, youth organisations, sport and defence organisations, cultural, technical and scientific societies; and the most active and politically conscious citizens in the ranks of the working class and other strata of toilers unite in the Communist Party of the Soviet Union (Bolsheviks), which is the vanguard of the toilers in their struggle to strengthen and develop the socialist system and which represents the leading core of all the organisations of toilers, both public and state."
In practice, any organisation set up without Party approval was treated as being illegal. Any initiative undertaken without prior Party approval was regarded with hostility. The privileged political status of party leaders enabled them to accord to themselves special material privileges, and membership provided the easy path to career advancement.

At the 20th Congress, Krushchev reported that the Party had a membership of 7,215,896, three times more than at the 18th Congress, but he also drew attention to what he called

"An abnormal situation where a considerable proportion of the Communists employed in a number of branches of the national economy were in work not directly connected with the decisive processes of production. There are 990,000 Communist in coal industry establishments, but only 38,000 work in the mines. More than 3 million Party members live in rural localities, but less than half work in collective farms, machine and tractor stations, and state farms."

The Party was already on the way to becoming a Party of administrators and placemen rather than workers.

The resultant corruption of the Party is described by Albert Speransky, an electrician by trade, who expressed his views in a pamphlet published by the Novosti Press Agency, entitled The Party and Perestroika:

"I still feel a bit upset even now. Back when it happened I simply felt depressed. Four workers at my plant who were Communists decided to leave the Party at the same time. They are different people. Some were a dead weight in the Party, others were Party activists and set the tone for our work. Why did they quit the Party? I had many conversations with one of these former Communists. Once he confessed, "You see, I joined one Party but found myself in this". "What do you mean?" "Don't be surprised, I'll explain."

"I wanted to be in the vanguard, to learn, to argue, persuade, and struggle against senseless conventions. In short, I wanted to build a radiant future and live for the sake of my fellow men. It didn't work. Much to my surprise, I found myself in the past. Everything in our Party organisation is decided beforehand. All we are supposed to do is to raise our hands in approval. I tried to fight this false unanimity, but was attacked by my own fellow Communists who even treated me as if I'd done something disgraceful. Later, in dark corners, thief-fashion, they would whisper words of self-justification to me. One needed a flat, another expected a rise in position. In general, they were motivated either by self-interest or lack of confidence, but basically they were all in it together, covering up for each other. Whoever stated his own opinion immediately lost prospects for promotion. This suggested the sad generalisation that our Party must have degraded from an advanced contingent of the working class into an association of obedient, officious, calculating and wary individuals."

"That conversation took place during the time we now call the stagnation period, when, why deny it, many people thought like that man. I joined the Party when our country was going through the difficult times of the stagnation period. The demands placed on rank and file Communists were deformed. The Brezhnev-type leaders needed a Party which would justify and protect stagnation."

The writer then describes how his application to join the Party was approved, only to be withdrawn when he wrote to a newspaper protesting about the attitude of managers of his plant towards their subordinates.

"At first I thought that a 'party' suited exclusively to the bosses was being created in just my plant, but after going to work in another plant and joining the Party there, I gradually started realising that a quiet, tractable, and easily controllable Party organisation was an imperative dictated from above."

Such an imperative must be built into any economic system in which every decision is taken at the centre because that carries with it the implication that everything will function like clockwork.

Fortunately for the human race, such a system carries within it the seeds of its own destruction for the reason that it is built on the false assumption that relations between people can be made as predictable as clockwork through a process of ideological conditioning.

The very fact that this is not possible finds its expression in the well known "Murphy's Law" which asserts that anything that can go wrong will go wrong, and that things that 'cannot' go wrong, sometimes will.

The recognition that each individual is unique does not imply adherence to a philosophy based on individualism. Each individual
is unique in his/her genetic make up, so that no two individuals respond in exactly the same way to external stimuli. That is a fact of life that has to be recognised when attempting to get people to take common action. Everyone has their own 'angle'.

Thus, the recognition of individuality is not an obstacle to collective activity but a precondition for it.

Our experience in industry tells us that people fight better when they feel that they, as individuals within a group, have control of the situation, when they feel that they cannot be railroaded into courses of action with which they may disagree, or feel doubtful about.

This has a bearing on the argument that there is an optimum size beyond which an organisation 'gets out of control'.

Highly organised capitalist organisations such as IBM, General-Motors, Phillips, which utilise the best of modern computer technology, are now finding that absolute control over their internal operations is beyond the reach of their central boards, and are seeking ways of decentralising their operations.

The notion of 'socialist planning' as dreamed up by the SWP is not only politically incorrect, in that the 'grass roots' would be denied any real role in decision making, but it is also an organisational pipe dream.

In our view, the search for a non-market economic formula which would completely rationalise relationships between economic units, is bound to fail unless it is accompanied by a raising of the ideological level.

The use of economic incentives is unavoidable in the transition period because capitalist ideology still plays a part in people's thinking, but by the same token, in the absence of ideological struggle, they will continue to 'play the system' as they did under capitalism. People do not automatically change their ideas because the titular ownership of the means of production has changed, and though they may feel that they have a common interest at a factory level, that may be still be expressed in terms of 'playing the system' for the benefit of the economic unit to which they belong.

The only way of avoiding that is to raise the general level of social consciousness, and that cannot be achieved overnight.

What is required is a concept of the dictatorship of the proletariat in which the political aspect is just one part of a broader cultural revolution.

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**REFORM AND REVOLUTION**

Although most people in developed capitalist countries do not, as yet, have revolution on their political agenda, increasing numbers are, for one reason or another, becoming disenchanted with the system and are beginning to recognise the necessity for radical change. This attitude will become more widespread as people learn from their own experience that events are being dictated by market forces and that governments are simply reacting to them. The entire system is out of control and all the leaders can do is to follow the dictates of the market to cut costs.

It will take some time for the mass of the people to recognise that the post-war bonanza is over, never to return, but the process is being hastened by the activities of those who are trying to resolve the growing contradictions within the system by whittling away social security benefits.

People do not like reductions in their current standard of living but they live in the hope that things will improve later on. The current debate about the future of the state pension is awakening people to the reality that this crisis is not just a temporary dip in the onward and upward cycle that they have come to expect, but a deep seated one which will affect the security in their old age of people yet in their forties.

This, coupled with a recognition that even though one may be lucky enough to have a job, there is no such thing as job security, is creating the mental climate which will make people more receptive to the idea that there must be a radical change in the whole social and economic system.

When considering the question of the relationship between reform and revolution, the question that we need to ask ourselves is this: "Do we see socialism as a means to an end, or as an end in itself?" The correct answer, of course, is that it is only a means to an end. If capitalism could be reformed in ways which would abolish poverty throughout the world, foster the all-round cultural development of every individual, and restrict economic development to a permanently sustainable level, there would be no need for socialism.

We seek the socialist solution because we have become convinced that these aims cannot be realized within a capitalist system.

The problem is, of course, how to get from 'here' to 'there'; how to reconstruct society in a way which will provide the
conditions for the realisation of these aims.

The term 'reformist' is usually used to describe a person who believes either they can be attained while leaving the basic system intact, or that the radical restructuring that is necessary can be accomplished with the free consent of the capitalists as a class.

We have no disagreement with that definition.

However, dogmatists extend the term to cover anyone who seeks to influence the day-to-day contradictions in society. To them, this is just a matter of tinkering with the system and must be avoided at all costs.

In practice, this is a recipe for detaching oneself from the real, actually existing, day-to-day class struggle that is going on all around us. So, on the one hand we have those who are content to simply get the best they can out of the system and, on the other hand, those who fear to engage in this struggle, probably for fear of becoming corrupted through involvement in it.

One thing is certain, communists will never become accepted as leaders unless they prove themselves in action, and action means involvement in struggles which people themselves consider to be important.

That does not mean that we support every struggle in which sections of the working class get involved. If we perceive that a particular struggle is inimical to the long term interests of the class, we need to oppose it. We should never be afraid of "going against the stream" if what we consider to be the long term interests of the class demand it.

It may be that we disagree with its objectives, or perhaps, for tactical reasons, consider that a confrontation should be avoided at a particular juncture. Then, however unpopular it may be, we should take a stand, and explain our reasons for it.

Leadership is about gaining trust and respect; it is not about striving for popularity at all costs.

Communists need to show that we seek nothing for ourselves, and are therefore not only immune to capitalist bribery, but will not abuse the position of leadership if the people grant it to us at state level.

We repeat, people will only come to recognise that communists possess these qualities as the result of their experience of how the communists amongst them behave over a long period of time.

Marxists accept as a truism that people change themselves in the course of changing the world external to themselves. Socialism is not only about changing society, it is about changing ourselves. People will only become intellectually and culturally fitted to be citizens of socialist society in the course of struggling to achieve it. This is a thread that runs through the whole of the thought of Marx and Engels.

If people are to be won for socialism they must learn from their own experience that capitalism cannot provide the answers, and if this means that the struggle is more tortuous than we would wish, that is life and we must accept it.

It is futile to fulminate against people because we may consider them to be duped by capitalist propaganda or corrupted by bourgeois values. That is how they are, and that is the starting point from which we have to begin to influence them.

Any change must take as its starting point that which already exists.

In the words of The Communist Manifesto:

"The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent and take care of the future of that movement."

That being the case, we must concentrate our activities around issues which immediately affect the life of the masses and suggest ways of resolving the immediate contradiction. But we do this in the knowledge that, in resolving one contradiction, we create the conditions for a further one, and so on interminably.

The skill lies in the ability to propose ways of resolving immediate contradictions in such a way that, wherever possible, the material conditions of the masses are improved, however imperceptibly, while at the same time raising their cultural level and their collective self-confidence in their ability to change things.

Revolutions are the culmination of a long series of quantitative changes that have occurred beforehand, and if we are to influence development it is to these quantitative changes that we must direct our attention while keeping in mind our long term aims.

Because there is a dialectical relationship between thinking and being, the involvement of people in decision-making is important because it is in the process of making decisions that people develop their mental capabilities.

People need to be given a glimpse of the kind of society that we have in mind, and this must be related to the specifics that
they are concerned about, or can be brought to recognise as important for long term cultural development.

OBJECTIVE CONSIDERATIONS

Those who consider themselves to be revolutionaries must be fully cognisant of the fact that unlimited expansion of production is not possible because the supply of natural resources on which it depends is finite.

We have the freedom to develop our productive forces, but only within the constraints imposed upon us by nature. That is what Engels called 'the freedom of necessity'. It follows that if the vast majority of the world's people are to be allowed to raise their living standards to a tolerable level, the developed capitalist countries will have to follow a policy of nil economic growth.

To be 'Green' in any rigorous sense implies the adoption of an anti-capitalist stance because, as far as developed capitalist countries like Britain are concerned, it infers a nil growth economy, a concept which strikes at the very heart of capitalist economics.

This brings to the fore other questions such as the kind of fuel and transport policies that will be required in an ecologically stable society, how social labour and the social product will be redistributed, with all that it implies for the status of work as a social right and a social obligation. This, in turn, raises the question of the kind of technology that must be developed if production is to be carried out in the most ecologically efficient way.

It also raises other questions, such as how the health of the nation can be improved without a constant escalation of costs.

These are some of the longer term problems that we must bear in mind, and introduce when we get involved in discussions on how to resolve current contradictions.

SOME PRACTICAL SUGGESTIONS

Economic struggles should be encouraged, not disparaged.

Of course, economic struggle alone will not bring socialism, but it can cause problems for the system and, conversely, lack of it can prolongue its life.

For example, the defeat of the miners' strike against pit closures not only allowed the ruling class to pursue its short sighted policy, (even by capitalist standards), of going for the cheapest immediate option of substituting gas fired, for coal fired electricity generation, and imported coal for the domestically mined variety, but it also struck another blow at militant trade unionism.

One consequence of this is that wage levels are now more subject to market forces than they have been for fifty years or more. This, in turn, is enabling the British capitalist class to 'combat inflation', and become 'more competitive' on the basis of lower unit costs.

The struggle to improve or maintain conditions of labour, i.e. hours of work, restrictions on overtime, shift work, health and safety at the place of work, can all be regarded as part of the economic struggle.

The absence of economic struggle prolongues the life of the system by virtue of the fact that it enables capitalists to continually reduce real wages, worsen the conditions of labour, in order to continually reduce labour costs.

The same argument applies to struggles aimed at preventing deterioration in the Health Service, Pensions, and Social Security benefits, because they, too, are part of the social costs of production.

The fight to improve our social environment and combat ecological degradation can also intensify contradictions within the system.

One example is opposition to the widespread use of the internal combustion engine.

This is the biggest single source of carbon dioxide, one of the 'greenhouse' gases, as well as carcinogenic substances, and simple logic demands that urgent measures be taken to reduce the number of private cars on the road, but one has only to look at the number of television advertisements aimed at expanding sales to realise that governments have no intention of waging a campaign against car usage as they do against smoking and drug abuse. The reason, of course, is clear; car production is the mainstay of the capitalist system. It follows that the drastic reduction in private car usage that is necessary for ecological reasons would cause great difficulties for the system.

Faced with that situation, reformists back off, but revolutionaries should be made of much sterner stuff.

It is not practical politics to ban sales of the private car, but swingeing year-on-year increases in the tax on petrol will have the same effect. Coupled with that there should be a campaign for cheap public transport and the transfer of traffic from road to rail.

The quality of drinking water is still declining, due to the
pollution of our rivers by industrial effluent. Making the polluter pay will help clean up our rivers, but it will push up the costs of production.

The decision to give the Thorp reprocessing plant the go-ahead has confirmed Britain's position as the world's dustbin, but the decision was taken on the basis that it would improve Britain's Balance of Payments position and provide jobs.

It is only by getting people to move in order to influence the outcome of contemporary contradictions that they will come to realise that a radical reconstruction of society is necessary.

The direct involvement of broad sections of the people in pursuit of immediate issues is a precondition for revolutionary change in the power structure of the state.

LEGAL AND CONSTITUTIONAL ISSUES

Although the emphasis must be placed on 'extra parliamentary' action, we should also be concerned with constitutional and legal issues.

Engels remarked that the bourgeois republic provides the best basis for the transition to socialism, but as capitalism goes ever deeper into crisis, the capitalist class finds that democracy no longer suits its purpose, therefore bourgeois democratic 'rights' are being eroded.

The right of workers to combine is now severely restricted, and as the crisis deepens still further, the capitalist class will seek to impose even greater restrictions.

The fight for socialism is now, more than ever, the fight for democracy, and we should turn the capitalists' prattle about democratic rights against the capitalist class itself.

The moves aimed at restricting the right to trial by jury are, very likely, the first step towards abolishing that right completely.

The Right to Silence, like the jury system and the presumption of innocence, are parts of the English juridical heritage that we should fight to retain.

In fact, all moves in the direction of a greater centralization of political power in the hands of the state should be opposed.

It is no accident that, at the same time as the Tories are 'freeing' economic activity from central control, they are centralising political power in the hands of the state.

Elected bodies are being replaced by quango's whose members are chosen by Government ministers. The powers of elected Local Authorities are being diminished, and even elected members of local Police Authorities are being replaced by state appointed ones.

Although most of us regard Parliament as little more than a talking shop, it does, more or less, reflect the general political level of the electorate. It can, theoretically, express the will of the people by legitimising concessions forced upon the capitalist class as the result of extra-parliamentary actions.

The decision-taking power of parliament is being eroded by the extension of the powers of the Cabinet and also by the ability of European decision makers to override the British parliament. No matter which way one looks at this development it must be undemocratic in the sense that it takes decision making further away from the people, whereas socialism must take decision making nearer to the grass roots.

Short term objectives must not be defined on the assumption that there is already a consensus of opinion in favour of them among the non-capitalist classes. On the contrary, it must be assumed that there are contradictions among the people which will have to be overcome in order to gain maximum political unity for the task in hand, even though some of the class forces involved may be at odds with each other on other issues.

In short, the complexity of class relationships in modern capitalist society must be fully taken into account and the crude 'class against class' concept of class struggle ditched once and for all.

It is only by putting our theories to the test and gaining experience through involvement in these struggles that we can become politically mature, and it is in the course of such struggles that new, potential cadres emerge, but they can only be discovered if existing cadres are themselves directly involved.

SECTARIANISM

This has its roots in lack of contact with the masses and it thrives when would-be revolutionaries isolate themselves because of their elitism.

The only antidote is to establish and maintain close contact with 'ordinary' people while at the same time guarding against populist tendencies.
VIDEO GAMES & VIRTUAL REALITY

Twenty-one years ago Atari launched the first video game. 'Pong' was an electronic arcade machine with a tennis format: a white blip traversing a blank screen between two 'racquets' standing on a base line. Heady stuff then but two decades is an aeon in computer games technology.

Atari, now owned by Commodore, has recently produced the 'Jaguar', a hand-held multiprocessor machine with the ability to handle 55 mips, (millions of instructions per second), to deliver fast graphics, (850 million pixels per second, as compared to one million in ordinary consoles), true colour,(16.7 million shades), and fast sound. All for £199 and designed to accommodate the latest range of hand-eye co-ordination tests with typically macho titles such as 'Cybermorph' (aircraft combat) or 'Chequered Flag II', a Formula One driving game.

Why should communists be concerned about all this? In the first place - and perhaps least important - is the size of the industry. Atari are minnows compared to the Japanese sharks Sega and Nintendo. What Nintendo introduced in 1981 with 'SuperMario' is now a business worth up to £1 billion in Britain alone where one and a half million homes have consoles, and about 80% of boys between 11 and 14 play video-games for several hours each week.

Worldwide it is worth more than £7 billion and more than 40% of homes in Japan and 30% in the USA have consoles. In America that means that more than 100 million games machines have been sold.

More important are the cultural, psychological, and physical effects - the stultifying addiction that the games can induce. Of course the manufacturers and their marketeers portray video games as mind-enhancing tools to fuel the imagination, assist in problem-solving and teach computer literacy. Video games are 'interactive'.

As Adam Sweeting wrote last April in the Guardian: 'What is this interactivity pundits keep talking about, and are we sure we want more of it? The term implies that we are on the brink of some fantastic synergy of microchips and the human imagination, but it's a tautology. Any game is interactive and chess or monopoly are no less interactive than computer fodder like Sim City or Monkey Island 2. But the current usage reflects the fin-de-siecle difference that, whereas players of old-fashioned games used to interact with each other, now they do it with a machine.'

Culturally this is very important for future generations. There are many, of course, who will hanker for the days when gates at Old Trafford or Highbury touched 60,000, for a night out at 'the dogs' or bingo or other more obviously social activity, but times have changed. Is it not just the case that what was fodder for the masses has changed with tastes, and allowed those pursuits which can no longer pay their way to wither? There is obviously some truth in this cynicism, although the disappearance of active sports facilities, such as swimming pools, are genuine losses.

But it is capitalism that creates the demand and determines tastes for people to follow. Capitalism sees large profit in peddling these over-priced, ever smarter computer devices that nobody really needs, and the fact that it is turning the devotees of Mortal Kombat, Sonic the Hedgehog, SuperMario and the other digitised blobs of colour into social and cultural illiterates in the process only serves to reflect the degeneracy of entertainment, art and 'culture' in the late 20th century. The ethic of leisure seems to be to achieve self-contained fulfilment with as little social interaction as possible. Aldous Huxley foreshadowed this with his depiction of the narcotic 'soma' in Brave New World.

IT'S ONLY HARMLESS FUN ....

There is opposition, not just anecdotal, but well researched, reflecting growing concern by parents, teachers, educational psychologists, and others. Video games discourage children from reading and writing, and encourage aggression, violence and crude racism and sexism. Typically victims are women, and villains are foreigners, (ironic, as the games originated in Japan).

And where violence can be given a contemporary edge, so much the better. Just as America's war against Vietnam gave Hollywood the chance to allow John Wayne, Chuck Norris, and others the fictional chance to 'zap the Gooks', so western imperialism's war against Iraq provided a marketing opportunity for games such as 'Desert Storm Part II' and 'Return to the Gulf'.

The Americans have their own stock of games portraying Latin 'narco-terrorists', (for whose very existence the U.S. ruling class is heavily responsible). Maybe the Mexican peasants opposing the North American Free Trade Alliance will find their own place among computer villains.

Any discriminating adult who saw the World in Action piece last April could not but be repelled by the mendacious claptrap advanced on behalf of the manufacturers which was later repeated.
in print. Like purveyors of tabloid smut, these parasites are only feeding us what we really want.

"Violence is a problem that is part of society and we are not to blame for that. Our games are produced as a result of consumer demand and we are just responding to what people want to buy." Simon Morris, SEGA U.K. Marketing Director, 13.4.1993.

All these cultural considerations are quite apart from the stress, physical unfitness, and hazard for the epileptic prone that go with the activity. Can we anticipate L.R.U.L.D. (leisure related upper limb disorders) as a phenomenon caused by overuse of computer consoles? Fanciful, perhaps, but people would have said the same 15 years ago about repetitive strain injury from keyboard use.

**MULTIMEDIA**

There can be no return, however, to the pre-microchip world. Information technology is capable of incredible adaptations and has an almost limitless capacity.

CD-ROMs, (Compact Disc Read Only Memory), can now reproduce on a single plastic disc the entire 20 volume Oxford English Dictionary or Grolier's Academic American Encyclopaedia of 21 volumes containing 6 million words distributed between 33,000 articles. A cheap CD ROM player can read the laser etched pits in the CD and translate it into the text of the book on a home computer screen in the same way as a domestic CD player attached to a stereosystem translates pits in a CD into music. But not only does a CD-ROM disc store text but any information a computer can handle - sounds, graphics, photos, animation, and even whole films. Hence the term, 'multimedia'.

Currently, the technology for all this is outside the reach of all but the rich. Although prices have reduced for all microchip applications, it will, of course, remain permanently outside the reach of the vast majority of the world's peoples. Multimedia will remain the plaything of the rich who have been convinced that they need information faster and earlier than anyone else.

As an indication of this, the 'electronic novel' is about to come. Technicians are excited that the two main impediments to reading a book on screen - the quality of the screen and portability - have both been solved with the high resolution screen common on laptops which are no bigger than many books. But why bother? Who needs electronic novels except computer companies and opticians?

In terms of access to information, multi-media will never serve a wider stratum than the elite of the rich industrialised countries. It will, no doubt, continue to provide jobs for a relatively small band of software writers and programmers, and a comfortable livelihood for their bosses, the 'consultants', whose existence depends on finding new ways of massaging and presenting the same, often useless, information and convincing the gullible that the latest projection of graphs and pie-charts is the key to managerial and commercial success.

Multimedia in the field of 'entertainment' mirrors the parasitic growth of the 1980s management consultancy.

**VIRTUAL REALITY**

Of course, the problem faced by the voyeur is that the images on the screen stay two-dimensional. But, like the electronic novel, the wisdom of scientists has been put to use. SEGA can deliver a soccer game with the option of different camera angles at the touch of a button to your TV screen. Phillips CDI can allow you to 'take part' in a game of TV tennis. Why bother getting out of your chair at all?

The inevitable development of this is Virtual Reality, the simulation of three dimensional experiences, created by a helmet-like headset where players are made to feel they are actually inside the game. Two British companies, Centrefold and Virtuality, are aiming to develop the VR machines, currently limited to amusement arcades like the Trocadero at Piccadilly Circus, for a domestic market.

The latest development is the Virtual Exhibition System, a 'non-immersive system', which does not use a helmet-mounted display to immerse the user in the VR world but an ordinary computer screen attached to an audio system for relaying sounds. This is vicarious experience in its true sense.

As you enter the virtual world you pass an information desk and are greeted by a receptionist on a video screen. The virtual exhibition consists of banks of computers, each displaying a short video chip denoting a 'project'. As you approach a computer in the virtual world the video screen automatically switches on and turns off again when you move away.

VR claims many scientific and socially useful applications: architectural planning, factory lighting design, kitchen design, even surgery where doctors could use a digitised representation of a
patient to rehearse an operation, like air pilots practising a
difficult landing in a flight simulator. This is fine, but it is really
a sideshow or afterthought. Entertainment is now and will continue
to be the chief application for this VR world.

There will come a time when fewer and fewer young people
in the industrialised West and the advanced countries in the Far
East feel the need to experience the world at first hand, except
where it is necessary to maintain life and limb.

There is no harm in escaping from reality to a certain extent.
Reading a novel or listening to music is such an escape. Without
being able to 'switch off' from time to time, most of us would
lose our sanity. But beyond a certain point it resembles schizophrenia.

The video game and VR world which engenders such a trance­
like state in their greatest adherents, the young, will inhibit indepen­
dence of thought and the all-round cultural development of
people as confident and useful social beings. And this preoccupation
with creating external stimuli is likely to exacerbate still further
the loss of 'concentration span' that leads TV viewers, adults and
children, to flick from one channel to another every few minutes.

There is a risk that the 'information superhighway', a
supposedly liberating development, will, in fact, have the same
mind-deadening effect by putting humanity - or at least, those who
can afford it - in thrall to a machine.

Opposition to the dominance of the machine will certainly be
portrayed as Luddite and reactionary. For that reason it must be
based on these social, cultural and health issues. Obviously we
would not find a receptive audience in the youth whose lives are
taken up by it. They see it as a 'generation gap' problem and, of
course, that it true.

Most adults recoil at the idea of spending hours in front of a
TV screen, prompting muscle-bound midgets to karate kick each
other into oblivion. But parents, whose objections up to now have
largely been confined to expense, must be shown that the physical,
psychological and cultural health of their children - and not just
their pocket - is at risk.

THE POWER OF CREDIT

Modern economists do not often use the term 'credit' to
describe international flows of capital, but that is what it is all
about.

Countries, like companies or individuals, must balance their
accounts so that over a period of time, expenditure must at least
tally with income. A country's imports must be balanced by exports
of commodities, and income from external services and investments.
Balance of payments deficits are made up by borrowing either from
other governments but, more usually, from the money market.

Because trade is multilateral the money market has become
international. This market has been in existence for a long time,
but during the past ten or fifteen years or so the volume of
capital floating about has increased tremendously, partly because
trade imbalances between countries grew, and partly because
investments in foreign countries by both individuals and institutions
have also increased.

As a result, there has been an increase in foreign exchange
transactions, (between currencies). According to an article in The
Economist 19/8/92, a central bank survey estimated that in 1986
the daily turnover was $320 billion. By 1989 it was $650 billion,
and this year it is roughly $900 billion. That is each day.

It is obvious that the opportunities for speculation have grown
accordingly, and this has been enhanced as the result of the
introduction of information technology which has speeded up the
whole operation and allowed the capital market to operate twenty
four hours a day.

Millions of pounds are made by individuals and companies who
make correct decisions about when to buy and when to sell
particular currencies. If that were the extent of it, it would not be
much different from betting on a horse or a greyhound, but,
particularly as the result of their use of modern technology, they
can distort the value of one currency in relation to others and
frustrate the intentions of governments, as Harold Wilson
complained even in 1976 when these market forces were less strong
than they are now.

Global flows of capital motivated by a search for quick profit
are a destabilising influence, particularly now that transactions
involving billions of pounds can be made in a matter of minutes, or
even seconds, one of the reasons why currency markets are more
volatile than they used to be.
All but the most extreme free marketeers recognize the need for some kind of international regulations to reduce speculation but they are inhibited from doing so because speculation is intrinsic to the capitalist system and they are torn between the desire to regulate and the need of the system to allow capital to flow to where it will reap the greatest profit. Manufacturing companies dislike a floating exchange rate because they cannot tell what their profitability is likely to be from one day to the next, but fixed exchange rates are difficult to sustain over a period of time because of the dynamics of the system, i.e. changes in the relative productivity as between countries, changes in fiscal policies, etc. It is a constantly changing pattern.

The ERM, (Exchange Rate Mechanism), is meant to prevent wild fluctuations in relative currency values, by the countries concerned agreeing to tailor their domestic policies so as to keep the exchange rate of their respective currencies within a specified band, with the Deutschmark as the anchor currency. Now that the economic costs of unification has forced Germany to put up interest rates, (thus making them more attractive to foreign investors), other members states are under pressure to either put up their own interest rates, or else devalue.

It was conceived as the half-way house to a single European currency, but it is now beginning to look as though the house was built on sand as the recession bites and forces governments to give priority to domestic problems.

This is most fortunate because, if the single currency had already been established, the bevy of European bankers who would have been running it would have been in a position to dictate the domestic policies of member states, thus removing, or at least lessening, the power of the people to influence domestic policies.

The difficulties the people of each country now experience when trying to influence domestic policy would be greatly magnified if they had to coordinate their efforts in order to try to influence a tightly knit group of bankers.

Wild currency fluctuations can be prevented if governments display the will to establish firm exchange controls. That means taking on the banks and finance houses, and sooner or later the nettle will have to be grasped, despite the Treaty of Rome.

NORTHERN IRELAND

The present 'troubles' began when Paisleyite thugs, aided and abetted by the RUC, broke up peaceful demonstrations called by the Civil Rights movement which demanded an end to discrimination against Catholics in jobs and housing. The Provo's came to the fore as the defenders of Catholic communities from intimidation by these forces.

When the role of British troops stationed in Northern Ireland was changed from that of a garrison force to one charged with maintaining public order, and reinforced for that purpose, the troops were initially welcomed by the Catholic community as protectors. That attitude only changed when it became obvious that they were there to reinforce the status quo in which Protestants were top dog. Bloody Sunday convinced the waverers.

The brutal suppression of the Northern Ireland Civil Rights Association led Catholics more firmly into the republican camp. It was apparent that they could look forward only to continued opposition to any attempt to 'reform' Stormont, and the demand for civil rights within the Six Counties was superseded by the demand for a united Ireland.

That demand gained further support in the belief that Dublin would give support to the beleaguered indigenous Irish in the North, which some Irish Government ministers, for their own reasons, encouraged.

Although the support was not forthcoming, the demand led the Protestant working class more firmly into the hands of the Unionists. The Protestants were, of course, looking to maintain their own sectarian status in Ulster but - it has to be said - the prospect of integration into the Republic whose social affairs were, and still are, governed to a large degree by the Catholic Church, would fill even reasonable people with dread.

At this point we must make it clear that we use the word Catholics only to describe those in the North who are descendants of the indigenous Irish, and Protestants only to describe those who are descendants of the Scottish Planters. Although they are each heir to different traditions they must both now be regarded as Irish for political purposes.

The British ruling class had its own reasons for colonising Ireland in the first place, but later, support for this 'loyal minority' was regarded as necessary for the security of the British mainland. (Both the French and the Germans tried to establish
bases in Ireland.) It is now generally considered that such a threat is so remote that it can be disregarded, hence Major's statement that Britain has (no longer) any strategic interest in Northern Ireland.

The Tory party, however, still has an interest in maintaining the Union because of its dependency on the Unionist vote in the House of Commons.

The IRA has, as a result of its armed struggle, made the British military presence in Northern Ireland a very costly business, and this, added to the social costs, has created a situation in which Northern Ireland is a liability to the British ruling class, therefore the narrow interests of the Tory party in the House of Commons is considered to be of secondary importance, (except by a tiny minority of diehards).

Major's statement includes reference to unity with the Irish Republic only being possible with the consent of the majority. That is a very practical position because the Protestant community would undoubtedly put up armed resistance to any attempt to incorporate them into a single Irish state.

The stage was reached where the British government was no longer willing to underwrite the privileges of the loyalists because, from being an outpost of empire, Northern Ireland had become a millstone, and the loyalists had outlived their usefulness except as parliamentary allies of the Tory party.

It must be stressed, however, that this position would not have been reached without the armed struggle of the IRA, and there is the distinct possibility that if this armed struggle is clearly written off, that the Tory government will give way to Unionist pressure to maintain the status quo.

On the other hand, the Protestant paramilitaries seem to have obtained substantial financial backing. How else could they afford to buy shiploads of weapons from Eastern Europe? It is by no means certain that the IRA would win if it came to a trial of military strength.

It seems pretty obvious that the Adams-Hume meetings were for the purpose of arriving at a common position, not only with regard to the question of a united Ireland, but also with regard to the domestic situation in the North.

We would also hazard a guess that the IRA, like the British Government, realized that it was in a 'No win' situation from a purely military point of view, otherwise there would have been no point in holding the clandestine meetings which both sides admit have been going on for some time.

Major's statement that the British government has no longer any strategic interest in Northern Ireland is a statement of the obvious. The sole problem is how to deal with its historical allies, the descendants of the Scots Planters.

The notion that an 'all Ireland' vote would settle the matter is simplistic in the extreme. Such a vote would almost certainly produce a majority in favour, but then the Irish government would be faced with the problem of a very large number of disaffected Protestants backed up by paramilitaries.

One of the mysteries about the whole situation is the content of the Adams-Hume document which they presented to the British and Irish governments, and why, (in the face of the British governments refusal to negotiate on, or even clarify its own proposals), that document has not been made public. The failure to do so has allowed the initiative to pass to the British government, which is now trying to dictate surrender terms to the IRA rather than negotiate.

The contradictions between the Catholic and Protestant working classes must be regarded as a contradiction among the people which is currently antagonistic for ideological reasons alone, but which can be resolved on the basis of common material conditions.

The past thirty years or so has seen growing antagonism between these two sections of the working class, and much of it was an inevitable consequence of the struggle of the Catholic working class to break the Protestant domination of the job market. Housing has become even more segregated as Catholic families were driven out of Protestant areas, and vice versa. It will be a long time before even that degree of integration which existed prior to the present 'troubles' can be restored.

Although it may only be a straw in the wind, the strike of workers at Harland and Wolf in protest at the murder, by protestant paramilitaries, of Catholic workers may indicate a changing attitude on the part of Protestant workers which may be related to a growing war weariness on both sides.

Sinn Fein, under the leadership of Gerry Adams, is continuing to develop its grass roots support on domestic issues. Encouragement needs to be given to Protestant working class parties to do the same, with Irish unity being put on the back burner, so as to break the hold of the conservative Unionists over them.
The British Government is apparently making the inclusion of Sinn Fein in discussions conditional on the IRA giving up its arms, in other words, surrendering. If it insists on that condition it becomes obvious that the intention of the British-Irish 'peace initiative' is simply a ploy aimed at politically isolating Sinn Fein. Therefore, the clear distinction must be made between a cease fire, which could be the starting point for new political initiatives, and a surrender, which would put the whole process back twenty years.

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From open polemic to the future party of a new type

Open Polemic has published the above pamphlet comprising selected editorials, statements and papers which elaborate upon the theory and strategy for ideological unity as the basis for a future party of a new type.

The pamphlet also contains two statements:

'For the Vanguard - Against Vanguardism' takes up the question of vanguardist strategies for the formation of the party and the influence of utopianism within the revolutionary movement.

'For October' calls for the recognition of the common heritage of all Marxist-Leninists and the necessity for historical interpretation to be placed firmly within the perspective of our current tasks.

The pamphlet affords an insight into the theory of open polemic as well as the strategy and tactics of the journal Open Polemic since its inception in the summer of 1990.

The 60 page pamphlet is in A5 format and is available from Open Polemic, O.P. Box 1169, London, W.3 9PF, price £1.00 or from bookshops.