

# Socialist Review

ARTICLES ON:-

PROBLEMS OF REARMAMENT

STALINIST RUSSIA - THE FACTS

WAR IN KOREA

THE WELFARE STATE

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C O N C E R N I N G " S O C I A L I S T R E V I E W " .

Whilst regretting our inability to meet all requests for extra supplies of our first issue, we are naturally gratified that "Socialist Review" sold so well. A greater number of copies have been produced this month to meet this demand, so we hope that all those comrades who helped to sell the first issue - to whom, many thanks! - will maintain their sales in January and subsequent months.

A surprising number of readers have taken the trouble to let us have their comments on, and criticisms of our November issue, as requested. We are greatly indebted to them and hope that this practice will continue. We have taken careful note of all comments, especially suggestions for improvement, most of which will be embodied in subsequent issues.

Faced with the rising cost of paper, and troubled by the normal difficulty of small left-wing publications - shortage of cash! - we have to appeal to all our supporters to send a donation, large or small, and thus help to maintain "Socialist Review" at its present size. We are very grateful to the comrades who have already helped in this way.

C O N T E N T S . . . . . J A N U A R Y 1 9 5 1  
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	Page
Problems of rearmament.....by D. Hallas.....	1
Stalinist Russia - the facts.....by T. Cliff.....	6
Houses - and "homes".....by P. Morgan.....	11
"Welfare" state.....by Rhoda Tarbuck.....	17
"Peace" campaign.....by P. Smith.....	22
Land problem in Burma.....by Thakin Ran.....	29
Miscellaneous items.....	5, 16, 20, 21, 27, 28
War in Korea.....by V. Karalasingham.....	14

# PROBLEMS OF REARMAMENT

by Don Hallas

When referring to the Stalinist-run "Second World Peace Congress", the capitalist press invariably italicises the word peace. Needless to say the same procedure is never followed when using the even more fantastic misnomer "rearmament" to describe the sharp increase in war preparations now getting under way. The fact is, of course, that never in the history of British imperialism has such a huge military establishment been maintained in peace time as in the years 1945-50 under His Majesty's Labour Government.

In the "rearmament" year 1938-9 some £254 million were spent on war preparations. In the four years 1945-49 some £4,000 million, or nearly four times as much per annum, were expended. The 1938-9 figure was about 5 per cent of the national income, the post-war figure is about 10 per cent. In 1939 (June) the total strength of the armed forces was 480,000. At the end of 1949 it was 736,000. These contrasts are made even sharper when it is realised that a large part of the British Empire, India, Burma and Ceylon, was able to free itself at the end of the last war and that it was in these territories that a substantial part of the pre-war army was based.

So much for the disarmed state of Britain in the post-war years. The Government now intends, after consultation with its American "allies" to devote £3,600 million to "defence" in the next three years. This represents an increase of 20 per cent over the average 1945-49 but is actually an increase of 50 per cent over last year's expenditure and a cash increase of £350 million per annum. A proportion of the increase is to be paid for by the U.S. Government; the indications are that this proportion will be comparatively small; the bulk of the increase will have to come out of the British economy.

The burden of armaments on the economy has been masked to a considerable extent by the great increase in total industrial production over the last five years, an average increase of 50 per cent. If it were possible to maintain this rate of increase then the new load would be easily managed. This however is the crux of the matter. Not only does armament production remove capital and labour from socially useful production, its effect is concentrated in precisely those industries which have achieved the greatest increases in production and which contribute heavily to the total export of commodities.

"It would be foolish", wrote the editor of the ECONOMIST, "to suppose that Britain can rearm without tears. The only way in which total output can be expanded without measures of special mobilisation of manpower (a euphemism for draconic direction of labour - D.H.) is by increasing the average output of workers already in employment - through increased efficiency and/or by longer hours of work. Unless additional output obtained in this way is at least equal to the net additional burden of defence, there must inevitably be some contraction in the investment programme or in civil consumption or a return to an 'overall' deficit on the balance of payments - and probably a combination of losses under all three heads".

The output of the engineering industry for the first half of 1950 is estimated at 179 per cent of the 1938 figure (LABOUR RESEARCH, October). In the last two years there has been an increase of 12 per cent in the output per head for the industry as a whole. However, a large part of the increase is accounted for by certain sections; in precision instruments the increase was 44 per cent per head, in vehicles 33 per cent. The turnover to armaments of even a small part of one of these sections is bound to involve, at least in the retooling period, a substantial fall in the rate of increased output for the industry as a whole. The turnover of a large part would drop the increase to a fractional percentage. Now clearly some turnover is going to take place, how great depends on the question of additional American aid. If it is assumed that this will not be lavish (a fairly safe assumption given the shift of power in the U.S. after November) it can be taken for granted that the present rate of increase of output in engineering will not be maintained unless it is possible to foist a longer working week on the workers, either formally or by disposing of the limitations on overtime -- and probably not then. The position in the chemical industry - also of great importance for war preparations, is not so easy to discover. The rise in production of heavy chemicals is well above the average for industry and a great deal of capital investment has been made in recent years. It is possible that these trends will continue in spite of the new demands on the industry.

Equally important with the question of productivity of the industries directly concerned with war preparations is the question of their importance in the export of commodities. In 1949 the export of machinery was 225 per cent of 1938, the export of vehicles 285 per cent, of other metal finished goods (excluding electrical equipment) 226 per cent, of electrical equipment 265 per cent. Two-thirds of all the cars and half the commercial vehicles produced were exported, as were three-fifths of the internal combustion engines, two-fifths of the tractors and agricultural machinery and one-third of the machine tools. These figures need only be compared with the average increase in all exports, estimated as 160 per cent of the

1938 figure, to grasp the importance of the engineering industry in the "balance of payments". Increased armament production is bound to worsen the international position of the British economy by cutting down its most important exports as well as by the general rise in commodity prices caused by "boom" conditions and stockpiling. A major contributory factor to the worsening of the international position of British capitalism is the narrowing of the world market caused by the ban of the export of material of military value to the Russian Bloc which is part of the price of American "aid". This ban is bound to have the effect in the long run of tying the British economy even more tightly to that of the U.S.A. and of aggravating all the contradictions inherent in the present set-up.

It is clear from the above discussion that the ultimate effect of "rearmament" will be to increase the difficulties of British capitalism, to increase the burden of the working class directly and indirectly, and therefore to aggravate the class antagonisms in Britain. Moreover nobody believes that the present stepping-up of arms production is anything but an instalment of much greater things to come. We are now entering the immediate pre-war period; the tendency to convert the economy into a war machine is becoming stronger. The rulers of Britain are being pushed by the masters into a position from which there is no retreat. However reluctant they may be, and reluctant they certainly are, for they have everything to lose and nothing to gain, there is no alternative for them now but to prepare for the war in which they have been assigned the role of present ally and prospective victim.

The working class movement is faced with some new problems, and with some old ones revived, by the current events. In the end all the problems come down to one - how to prevent world war in the next decade or so and to utilise the breathing space thus obtained to recreate the international front of all genuine socialist and democratic forces, the only possible third force, the only force that can avert the descent of humanity into the new barbarism of totalitarian servitude and achieve peace and socialist freedom. For the last twenty years the workers' movement has been split and hamstrung by the Stalinist agents of the Russian ruling class and the reformist supporters of the various western imperialisms. Both of these groups are fundamentally opposed to socialism and consistent workers' democracy, both work to preserve class society and both owe their influence to the use of pseudo-socialist and pseudo-democratic slogans. Each gains considerably from its telling criticisms of the other. Our job is to assist the most conscious sections of the working class to free themselves from their influence.

The drift towards the third world war gives us great opportunities to do this. On the one hand the expansion of the Russian Empire has given and is giving millions of people first-hand experience of the real character of Stalin's "Socialism". The fraudulent character of the Stalinist "peace" campaign

is becoming increasingly obvious. The role of the Stalinist parties as "Moscow's Foreign Legion" is being driven home at a time when the "Russian System" is losing a large part of the attraction it once exercised. Notwithstanding all its gains since 1944 and indeed largely because of them, Stalinism faces increasing internal tensions, different in form but no less dangerous than the crisis threatening its rivals.

On the other hand the bankruptcy of reformism can now be made plain to increasing numbers of workers. In Britain specifically, the reforms of the Government will be increasingly nullified by the burden of war preparations. Having already adopted Hitler's slogan "Export or Die", the Labour Party tops will soon be forced to demand with Goering "Guns before Butter". The growing dependence of the "welfare state" on American imperialism, and the visible inability of the government to make any sustained and serious effort to avoid being drawn into a war that will destroy the whole basis of reformism, can be proved far more easily today than two or three years ago. It is significant that even in the house-broken and purged parliamentary Labour Party some 29 M.P.'s can be found to support a motion critical of the government's subservience to MacArthur in Korea.

If we are to be successful in exposing the imperialist policy of the ruling group we must constantly tie up the concrete discontent on wages, conditions, housing, etc., with the general anti-war propaganda. This is more than ever necessary now. The rising price of essential consumer commodities is due largely to the international armaments race. Real wages are being lowered because, amongst other things, of the increasing proportion of the total production of goods devoted to socially useless ends. We must prepare workers to resist the demand for longer hours -- a demand that is as certain to come as rain in April. Above all we must continually expose the futility of imperialist war and rottenness of the specious arguments of its defenders. The first world war killed millions, rendered millions homeless and destitute, created new national antagonisms, new oppression. What single problem of the common people did it solve? Defence of democracy? It created new dictatorships worse than the old. Defence of small nations? It bound them ever more closely to the great robber nations. Self-determination? Disarmament? A war to end wars? No, it resulted in less freedom, new arms races, a fresh holocaust. What problems were solved by the second world war? Not one. Now, only five years later, the rulers of the two great empires are preparing a new bloodbath. They have no other way out. But for the vast majority of the people everywhere their road means new sacrifices, new exploitation, new oppression. And for what? To enable the militarists, the bureaucrats, the plutocrats to rivet their chains more securely on the masses.

We Socialists cannot be pacifists. The violence of the exploiters can only be defeated by the violence of the exploited. But equally we cannot support in any way the struggle of our masters for world domination. The only way to

end war is to abolish class society and the only way to go about abolishing class society is to wage an unrelenting struggle against our "own" ruling class, its state, its propagandists, its priests, its labour agents. We work to destroy the "national unity", i.e., the subordination of the workers to the rulers, preached by apologists of imperialism of every stripe. We work to create the international unity of the working class as the only way, not only to prevent war, but to achieve an international organisation of society. Reformists often sneer at what they call the "utopian", "impractical" aims of international socialism. We are not impressed. The results of the "practical" politics pursued by social-imperialists are all around us. The results of the same policies in the future will be no better. The only "war to end wars" is the war of labour against capital. "Wars...are part of the very nature of capitalism; they will cease only when the capitalist system is abolished." That is as true today as when it was first subscribed to by all the socialist parties at the Stuttgart Conference of the Second International. The problems of "rearmament" for the ruling class and its allies are concerned with dragooning the workers for another bout of mass murder. The problem of "rearmament" for the workers is how to turn the imperialist war (latent or actual) into a civil war.

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 : THE GAP WIDENS "Milovan Djilas, Yugoslav Communist propa- :  
 : and chief and senior member of Marshal :  
 : Tito's Communist party politbureau, said today that the :  
 : ideological gap between Yugoslav communism and the Soviet :  
 : way of life had become 'unbridgeable'. This is the first :  
 : time Yugoslav leaders have expressed themselves so categori- :  
 : cally on their quarrel with the Kremlin, and in doing so, :  
 : Western observers believe, they have finally burned their :  
 : boats. :

:"In a two-page article in 'Borba', the org- :  
 : an of the Yugoslav Communist party, Djilas maintained that :  
 : the Soviet Union was no longer socialist but 'now represents :  
 : in the fullest degree the realisation of state capitalism'. :  
 : He said the Soviet Communists were not only 'revisionist' in :  
 : theory but were in practice 'becoming more and more the ene- :  
 : mies of Marxism in any country. They do not hate us because :  
 : of our weaknesses and mistakes but because we are Marxist :  
 : and revolutionary'. :

:"The state capitalist monopoly in the Sov- :  
 : iet Union had taken on a 'monstrously despotic form' in all :  
 : fields of life. He asked: 'Why is Soviet Russia cutting it- :  
 : self off from the world? What are they hiding? What are :  
 : they afraid of? They are hiding their regime and their :  
 : faith because it is monstrous even compared to bourgeois :  
 : democracy'".

MANCHESTER GUARDIAN 21.11.50

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# STALINIST RUSSIA—THE FACTS

## THE BUREAUCRATS IN INDUSTRY

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by T. Cliff

(from a series of articles appearing  
in INFORMATION DIGEST in March, April,  
May, 1949)

WE publish here the first of a series of articles on Russia with the object of bringing before the British workers the real situation in Stalinist Russia, based on facts. The workers in Britain are becoming more and more uneasy about what is taking place in Russia, and in order to answer these growing doubts, the Stalinist Parties have poured out a spate of lying propaganda about the situation in Russia. Our articles are based entirely on official Russian material and their accuracy cannot be challenged. Even when other sources have been quoted, they have been checked with the original Russian sources.

### Who Controls Production?

Immediately after the revolution, it was decided that the management of every plant would be in the hands of the trade unions. Thus the programme of the Communist Party of Russia (Bolsheviks) adopted at the eighth Party Congress (held March 18 to 23, 1919) declared:

"The organised apparatus of social production must primarily depend upon the trade unions... They must be transformed into huge productive units, enrolling the majority of the workers, and in due time all the workers, in the respective branches of production.

"Inasmuch as the trade unions are already (as specified in the laws of the Soviet Republic and as realized in practice) participants in all the local and central organs administering industry, they must proceed to the practical concentration into their own hands of the work of administration in the whole economic life

of the country, making this their unified economic aim. Thus protecting the indissoluble union between the central State authority, the national economy, and the broad masses of the workers, the trade unions must in the fullest possible measure induce the workers to participate directly in the work of economic administration. The participation of the trade unions in the conduct of economic life, and the involvement by them of the broad masses of the people in this work, would appear at the same time to be our chief aid in the campaign against the bureaucratisation of the economic apparatus of the Soviet Power. This will facilitate the establishment of an effective popular control over the results of production". (Quoted from N. Bucharin and E. Preobrazhensky, "The A.B.C. of Communism", published by the Communist Party of Great Britain, London, 1927, pages 401 and 402).

Participating in the running of industry together with the workers' plant committees, were the party cells. Together with these, and under their control, worked the technical manager. These three together formed the Troika.

Of this workers' control nothing remains today. For some years the bureaucracy tried to undermine the Troika without officially renouncing it. Thus, a resolution of the Central Committee of the Party decided ("Pravda", 7th September, 1929) that the Workers' Committee of the plant

"may not intervene directly in the running of the plant, or endeavour in any way to replace plant management. They shall by all means help to secure one-man control, increase production, plant development, and, thereby, improvement of the conditions of the working class".

The manager is in full and sole charge of the plant. All his economic orders are unconditionally binding on all the workers. He alone shall select, promote and remove personnel "taking into consideration" "the opinions of the party and the trade union organisations", but is not to be bound by them.

The Troika was officially buried in 1937. In the Plenum of the Central Committee Stalin's second-in-command, Zhdanov, declared:

"The Troika is something quite impermissible... The Troika is a sort of administrative board, but our economic administration is constructed along totally different lines". ("Pravda", 11 March, 1937).

The new management of industry was very clearly defined by the official manual "Economics of Socialist