

The Week

A news analysis for socialists

17th March, 1965. Vol. 3, No. 11

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Annual Subscription £2. Student rates, Bulk orders, details on application.

Business and Editorial Address:

54 Park Road,
Lenton, Nottingham.
Tel. Nottingham 48369.

Editors:
Robin Blackburn,
Ken Coates

1931 again?

THE *Financial Times* reported on Monday that Wall Street will be 'concerned at any extension of existing welfare programmes (in Britain) while some reduction, too, in housing expenditure it often considered to be called for.' (See our stop press for an extensive summary of this report). Thus we see the domestic consequences of Mr. Wilson's support for U.S. brinkmanship in Vietnam.

But this report has even more sinister undertones. One is inevitably reminded of 1931, the blackest year in the history of the Labour Party. There are many similarities: a Labour Government without a firm Parliamentary majority confronted with an intense economic crisis leaning upon U.S. big business for support. In 1931, the big U.S. businessmen insisted on a cut in the dole in exchange for a loan. In 1965, Wall Street expects deflationary measures in exchange for support for sterling. It would also have more 'confidence' if plans for steel nationalisation are dropped and if steps are taken to implement Labour's 'venerable incomes policy'.

There is, however, a more cheering aspect to the report: Wall Street has misgivings about 'rumours from London that there is a dispute within the Cabinet on whether the forthcoming Budget should be expansionist or deflationary'. Translated into political terms this means a dispute between those members of the Cabinet who want Labour's election programme of reforms to be implemented and those who want to sacrifice even these meagre steps because of the economic crisis. Members of the Cabinet should study their history books: 1931 was followed by a split in the Labour Party and the return of the Tories, together with their 'National' allies, with an overwhelming majority.

Santayana said 'He who does not learn from history is doomed to repeat it.' Surely there are those in the Cabinet who are so determined not to repeat that particular piece of history that they will speak out now. They would be assured of tremendous response from the Labour Party members; a firm call to stand up to the pressure of American big business would evoke enthusiastic support. This call should not be left too late.

STEEL WORKERS TO STRIKE

AFTER two unsuccessful attempts by union officials to settle their grievances, a mass meeting of workers at Shelton Iron and Steel Works, Stoke-on-Trent, have given the management 21 days' strike notice. This move follows a decision of the firm to advance wages of skilled workers, increasing the differential between them and unskilled workers. Many trade unionists regard this as an attempt, on the management's part, to divide and rule.

The basic wage of a labourer is around £11, a semi-skilled rigger only earns £12 11s. On top of the basic rate, a tonnage bonus is made throughout the steel industry. But at Shelton the men only receive a small bonus, as much as £7 less than that at some other factories.

A prominent trade unionist, Councillor Gerry Crowther, says that so far there has been a blanket of silence about the dispute in both the local and national press. He attributes to the embarrassment it would cause to the management, in their fight against steel nationalisation, if the poor state of labour relations became publicly known.

In a pamphlet against public ownership of steel, Sir Richard Summers gave, as one of his principal reasons, the happy labour relations existing within the industry might be jeopardised. Since he wrote that, maintenance men at John Summers' Shotton plant have been on a lightning strike and its Shelton subsidiary is a seething cauldron of discontent.

Some while ago, I wrote an article in *Tribune* on Sir Richard Felix Summers' bizarre personal position. On the one hand, he is on the board of the London Midland Region of the British Transport Commission, helping to make nationalisation a success, while at the same time he sits on the boards of four steel firms, tenaciously fighting to the last ingot to stop steel being nationalised. One of his representatives 'phoned *Tribune*, not to explain how Sir Richard felt in his Gilbertian position, being for and against nationalisation at one and the same time, but to complain that, throughout my article, I had omitted to mention his knighthood.

I realise what a grave error I made in failing to mention his title, and

would like to apologise publicly to him. I hope my serious omission has not directly caused the present industrial strife.

Raymond Challinor

IRISH REPORT

NOW that Sir Roger Casement's remains are finally beneath Irish soil, and the Lemass/O'Neill talks have passed into history one would expect the 'wind of change' in this troubled island to be sweeping away intolerance and bigotry.

For the first time in living memory the children in the overcrowded and badly-housed City of Belfast will be able to play on the swings in the Corporation parks on the Sabbath. The decision to unlock the swings was reached by the City Council in the following way. Sixteen anti-Unionists (made up of Northern Ireland Labour Party, Republican Labour Party and Independent Labour Party members), combined with fourteen apparently enlightened Unionist members to outvote a solid entrenched Unionist vote of 24; i.e., there was a 'free vote.' Detailed examination of the members voting reveals that only three people actually changed sides since the previous vote on this issue last November. The decision was reached not to unlock the children's swings on Sunday by a majority of one vote. Discrepancies when comparing the figures are due to members being absent, abstaining, and the death of a councillor (Unionist) with the subsequent by-election (no change).

From the time when it became known that the Lockwood Committee, set up by the Northern Ireland Government, had recommended Cole-raine as the site best suited for the proposed new £20,000,000 university, there has been a steady build-up of public opinion opposing this recommendation.

It has been felt that the claims of Londonderry, which already possesses the nucleus of a university at Magee University College, have been ignored largely on political grounds. Catholics and Protestants alike have joined in spontaneous demonstrations, travelling from Londonderry in a motorcade in order to make rep-

resentations at Stormont, the Northern Ireland Parliament building.

The Northern Ireland Prime Minister, Terence O'Neill, on realising the strength of opinion opposing Cole-raine as the site, threw over his Minister of Education's motion (that the Lockwood Report be taken into consideration) and substituted his own (that the decision of the Government be approved). He thus made the issue one of confidence such that were his motion defeated a political crisis would arise which could bring about a General Election in Northern Ireland. More than one staunch Ulster Unionist member of the Stormont Parliament attacked their own leader in explicit terms, referring particularly to the fact that were it not an issue of confidence they would vote against the recommendations of the Lockwood Committee.

The debate lasted until 3.0 a.m., a rare occurrence in Stormont, and two divisions at the end were as follows:

The Labour amendment that the new university should be sited in Londonderry was defeated by 27 - 19. Two Unionist M.P.s voted with the Opposition and one Unionist M.P. abstained.

The Government's motion asking their policy to be endorsed was passed by 26 - 18. One Unionist M.P. voted with the Opposition and three Unionist M.P.s abstained.

The figures indicate the extent of the 'wind of change' in Irish politics, particularly when only in 1962, at the last General Election, a total of twenty Ulster Unionist M.P.s were returned *unopposed*.

W. Barratt (Belfast)

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SNAGS ABOUT INCOMES POLICY

The March issue of the AEU Journal contains a very interesting article by Paul Derrick

IN the middle of February came the White Paper on the Machinery for a Prices and Incomes Policy. The National Board for Prices and Incomes is going to be a much more formidable body than either the Council on Prices, Productivity and Incomes or the National Incomes Commission; but already people are asking how successful is it likely to be in stabilising prices and incomes, whether it is likely to succeed where Nicky failed.

The White Paper said it would have to consider giving the Board statutory authority if this was necessary; but price controls under the last Labour Government did not ensure the complete co-operation of the unions in the Government's Incomes policy.

The White Paper does not say very much about increases in money incomes other than wages and salaries except that they would, "where appropriate" be referred to the Incomes Review Division of the Board. Oddly enough the government did not appear to be very enthusiastic about Mr. Peter Shore's Emoluments of Top Management (Disclosure and Regulation) Bill which was tabled on 20th February. The Labour Party has long been talking about its Incomes policy applying to all incomes but the government seems to be curiously hesitant about the practical application of its own policies.

Then again there are dividends.

Dividends in January were 12.4 per cent higher than a year earlier; and many companies increased their dividends by very much more. On 19th February, for instance 'The Times' reported that I.C.I. was increasing its dividend by 25 per cent—from 10 per cent to 12½ per cent—and that Television West and

Wales was increasing its dividend to 107½ per cent. On the same day its main news item was that prices were still increasing faster than productivity; and on the following day Mr. Callaghan declared that "this is not a year in which we can afford large wage or dividend increases."

Dividends have increased more than half as fast again as wages in spite of everything; in an expanding economy profits inevitably tend to increase faster than output, and taxes on profits are to a large extent passed on to the consumer in higher prices.

The moral that a socialist government should draw from 17 years of inflation is that *an incomes policy cannot be extended to profits and dividends simply by taxing them*. If some sort of Incomes Equalisation Tax should be devised and did prevent profits or dividends increasing faster than wages or output it would be bound to undermine incentive in exactly the same way as the Excess Profits Levy of 1952.

The *only* way of devising an effective incomes policy is to change the whole basis of industrial ownership so as to secure for workers by hand and by brain the full fruits of their industry upon a basis of common ownership and therefore to bring about the "most equitable distribution that may be possible" of the national income. It is futile and irrelevant to bring in temporary legislation which delays the distribution of dividends to shareholders. This merely causes confusion, undermines incentive and leads to the misallocation of resources. What is needed is *permanent* legislation which will permanently limit the return as well as the liability of the shareholder so that companies are no longer run for private profit.

Foundry workers say 'Turn Left'

This resolution was adopted by the National Council of the Foundry Workers' Union.

LABOUR'S setbacks in the recent Leyton and Nuneaton by-elections must be seen as a serious and grave situation, which must be faced with cool judgment and practical action.

It is no use seeking consolation in explanation of special factors operating whether of the personalities of the candidates or the shocking racist happenings at Leyton, which were not decisive factors. In both constituencies there is a common political trend.

Why is it that within such a short period of the electorate throwing out the Tories and turning to Labour for an alternative programme, in the first electoral test so many previous Labour supporters either abstained or transferred their votes, which has created the effect of a swing back of the electorate towards Toryism?

There is little doubt of the answer. Higher prices, higher mortgage interest rates, wage restraint, tax increases—all precisely those measures which had been made the object of attack against the Tories.

The delay in granting the increases to pensioners on the grounds of economy, when so much money is being poured out on arms and military expenditure, was a disastrous error.

This setback must be overcome. The Tories must not be given an opportunity of a come-back. New thinking and radical changes of policy must be adopted that will rally the people and inspire the Movement to regain the lost ground.

A clearer view of what is intended by an incomes policy must be given to the people, by action demonstrating that incomes restraint applies all round, to the price lifters and the profit makers.

Labour's policy must be clearly seen by the people to fundamentally differ from that of the Tories, in that it puts the need of the people before big business, social services before arms expenditure, and peaceful co-existence instead of cold war.

We must have no more Leytons. The Movement must be reactivated in support of the Government.

From the February issue of *Foundry Worker*.

CND Easter March

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Note New Address

Aircraft Workers meet

FOLLOWING the recent aircraft workers' demonstrations in London, it was decided to hold a conference of shop stewards representing all firms in the industry. This Aircraft Shop Stewards National Conference was held in London at the end of February. As it was of political importance and has not been reported elsewhere, readers of *The Week* may find a report of interest.

There was a good attendance despite the obstructive attitude of the AEU Executive Council which threatened AEU shop stewards with "disciplinary action" if they participated in the conference. On a show of hands it was clear that well over half the delegates at the conference were AEU — presumably Brother Conway's letters had not reached them all. By an overwhelming majority the delegates passed a resolution "deploring" the AEU Executive's action.

After discussion, the conference, which consisted of a very representative group from all the main firms, decided *not* to attempt a detailed policy on how to deal with the aircraft crisis as it affected various sections of the industry. Instead they

settled for a *general* policy line. This centred around the theme of "The Right to Work" and it was decided to incorporate the following points in a policy leaflet:

- (1) Nationalisation as a step to further the rights of the workers;
- (2) Developing a British industry — as distinct from an American subcontracting industry. This should apply to both military and civil planes with an emphasis on developing the latter.
- (3) The Government should develop research into the kind of world market in planes where Britain could most usefully compete (here, several delegates singled out the underdeveloped countries as worthy of special attention);
- (4) Full employment should be assured for all aircraft workers, as distinct from severance pay.

The policy leaflet is expected out soon — 200,000 may be produced. The shop stewards are in a militant mood and keen to develop the campaign. The secretary is Mr. J. Bridges, 20 Godfrey Close, Half Hyde, Stevenage, Herts.

Alan Rooney

Hoover threatens closure

ABOUT 4,000 workers at the Hoover washing machine factory at Merthyr Tydfil (Glamorgan) have been warned by the company that if "unconstitutional action" continued within the factory, the company would have no alternative but to close down until conditions of full efficiency were restored.

A works dispute arose following a stoppage during the height of the blizzard in South Wales on March 2nd and 3rd.

About 200 men walked out of the factory on the night shift on March 2nd, contending that working conditions were too cold. They were followed by 500 other workers on March 3rd.

A company spokesman said yesterday: "Those who stopped work

were joined by production workers from other sections despite the fact that their working conditions were satisfactory. As a result of this dislocation to production, it was necessary to send the remaining production workers home.

"The company has stated its willingness to consider reasonable claims resulting from the severe weather conditions of last week, but, in the meantime, unconstitutional action within the factory will leave the company no course but to close the factory until it can be operated under conditions of full efficiency."

A work to rule began at the factory and production was held up. The company's statement came after a meeting between the management and A.E.U. officials.

GREECE :

Docker's right to Strike

ACOURT at the Greek port of Volos last month upheld the right of dockers to take strike action against a flag-of-convenience ship providing sub-standard wages and conditions for its crew. In August 1963 the International Transport Workers' Federation and its affiliate the Italian Seafarers' Federation (FILM), organised a boycott of the Italian-owned Panamanian-flag ship "Coral" whilst it was in the Port of Volos. The owner of this ship was paying his crew lower rates than those provided by the Italian collective agreement and was under-manned. The boycott lasted from 12th to 20th August 1964 when the owners agreed to apply the Italian agreement, and to pay contributions for one year to the ITF Welfare Fund and £450 towards the payment of Volos dockers' wages during their strike action.

Despite this agreement, the local agent for the ship later attempted to take legal action against the Greek dockers' union, bringing a charge of "blackmail" against them.

WOODCOCK ON CHURCHILL

SOME students of Ruskin College, Oxford, were shocked to read in the *Daily Worker* of 28th January, a statement attributed to George Woodcock regarding Sir Winston Churchill, i.e., "He believed in trade unionism as wholeheartedly and sincerely as I do. In the limited contact I had with him, it was obvious he knew the essential link with trade unionism and the essential nature of trade unionism, and approved it."

The students then wrote to Mr. Woodcock pointing out that they could find no evidence of any mutual interest or association between Sir Winston Churchill and the trade union movement. In fact during the course of their studies they could find only the contrary. Would Mr. Woodcock care to elaborate?

Three weeks passed without reply and the students wrote again reminding Mr. Woodcock of their first letter of 3rd March the following reply was received: "I deliberately did not reply to your letter of January 29th about a report in the *Daily Worker* of comments I made on the death of Sir Winston Churchill" . . .

A FIGHT FOR FREEDOM

Sometimes even those who are sympathetic question whether the Movement for Colonial Freedom is still necessary. Has not liberation been won? Why push at an open door?

Certainly, vast progress has been made. The number of politically dependent people under British rule has been reduced from five hundred million to thirty-five million since the war. Two thirds of Africa now consists of sovereign states.

Good; but the toughest struggle has to be won. Southern Africa is still held in subjection. Rhodesia, Angola, Mozambique, South West Africa, the Republic of South Africa—one has only to list them to indicate the formidable task ahead.

Another stern issue remains on the American continent. British Guiana is nominally a British colony. In the last decade America has influenced events more than Britain. At no price would it allow independence under a Jagan Government: money and personnel poured in, and the British Colonial Office became America's tool.

There is another colony on American soil, British Honduras, and there are the "little eight" islands in the West Indies not yet free and federated. There are numerous islands in the Pacific and other seas still London-ruled. The achievement of political freedom is far from concluded.

But political freedom is not the only aim of M.C.F. Nor are the British colonies our only concern. Whilst the economy of the developing nations is owned by alien financiers and foreign military bases remain on their soil their peoples cannot be free. (As Socialists we must add that they will not be free until they have got rid of home-capitalism also.)

This wider conception of colonial freedom extends our task formidably. For example, the whole of Southern Africa, from Lusaka to Cape Town, including Katanga and Mozambique, is a huge economic empire owned by a group of British, Belgian, American and South African interlocked companies. After political independence

has been gained, after Apartheid has been destroyed, the mineral wealth must be won by the people. Perhaps in South Africa the two revolutions will be simultaneous.

Immediately, with Rhodesia, our agitation is concentrated on Vietnam and Malaysia. The American role in Vietnam is an outrage against humanity and the whole labour movement should be protesting fiercely. We are hurt because our Government left it to U Thant Shastri, De Gaulle, Tito, and liberals in America (not to mention Russia and China) to speak out. No doubt Harold Wilson and Michael Stewart exerted diplomatic pressure, but America only stepped up its military intervention. We think back to Attlee and his visit to Truman which stopped America bombing China during the Korean war.

Britain itself has 50,000 troops in South East Asia, mostly in Malaysia. There have been continuing opportunities for a political settlement. A promising opportunity is opening up now. There is a vacuum in Labour's policy here. It is all very well to say that we must have peace-keeping forces east of Suez. The way to peace is not an army but the removal of the causes of hostility.

We do not condone Indonesia's military infiltration, but Sukarno has made repeated offers of negotiations under impartial sponsorship. This whole area must be disengaged from the power bloc struggles, and this must involve the progressive withdrawal of our forces and bases. We should seize the chance to prepare for an accepted transformation to the new free association of peoples without foreign intervention.

On all these issues the Movement for Colonial Freedom is continuously active through public meetings, the distribution of thousands of leaflets, a constant stream of speakers to Labour Parties and trade unions. At the House of Commons we have standing committees, with M.P.'s as chairmen, on every sphere; they have done much to bring knowledge and pressures. Our affiliated membership is over three million; national trade unions, constituency Labour Parties, trades councils, trade union

branches are affiliated. We have done much to alert the labour movement.

Our need is more and more help from the great body of Labour opinion which is with us on these issues. They are urgent, as Rhodesia and South East Asia show. They are fundamental and continuing, as the military and economic domination of other peoples show. Imperialism is the handmaid of capitalism and it is not dead; it is suffering blows but they are not yet fatal. We ask you to join us in our gigantic task. Our secretary, John Eber, will expect to hear from you at 374 Gray's Inn Rd., London; W.C.1.

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NORTH VIETNAM:

The Facts

THE war in Vietnam is now front page news. The facts behind the news are, however, little known to the general public. The American press, faithfully followed by British journalists, has set itself to deliberately distort or suppress the historical background.

We are told that North Vietnam is a threat to the Free World and to peace. It was John Foster Dulles, in his Holy crusade against Communism, who started this distortion.

After Dien Bien Phu, when the best forces of the French colonial army were destroyed by General Giap and his guerrillas, the remainder of the French forces withdrew, creating a vacuum in terms of the cold war. Anthony Eden took the initiative when the Americans threatened to use atomic weapons against General Giap's forces. He summoned the nations with interests in that area to a conference at Geneva under the joint chairmanship of Great Britain and the Soviet Union. The United States refused to take part in the deliberations but agreed to abide by their decisions.

The Conference, which met in 1954, decided first of all that during an interim period, to give the country time to settle down, it should be divided along the 17th parallel: but that in 1956 free elections should be held over both North and South and the country then united.

It was also decided that there should be no military intervention except for technical aid, and that the number of troops entering the country for this purpose should be limited.

A Control Commission, consisting of contingents from Canada, Poland and India, three countries with no direct interest in that area, was set up. Its function was to guard against infringements, and to make periodic reports to the chairmen, who remained in permanent session.

The puppet regime set up in the South was the direct creation of the USA. Almost at once military aid

was sent in under the guise of technical assistance. Even at the commencement, the numbers of "advisers" were vastly above the figure stipulated by the Conference. Of course, this aid is now openly made up of combat troops, planes and heavy artillery. Indeed, what fighting there is, is effectively being carried out by American troops.

It is needless to stress that the 1954 clause about free elections has been ignored. When I was in both Hanoi and Saigon, some years ago, there was not even a postal link between the two parts of the country.

Of the complaints made to the North, about eighty per cent. have been found to be justified.

The war has now hotted up, and America, which has no direct legitimate interest in the area, except her holy war against Communism, is pushing the world to the brink of war. The people of South Vietnam want unity with their brothers of the North. Upon my visit I was convinced that Ho Chi Min is revered in every part of the country. He is affectionately styled as 'Uncle Ho' no less in the South than in the North. The political position in the South is chaotic. Only national unity will bring an end to the deep religious feuds which rage there.

The Co-Chairmen have, up to now, been far too complacent. Britain has been stalling because of her ties with America, while the USSR is reluctant to act because of Mr. Krushchev's dispute with the Chinese on co-existence.

They must act now, or it will be too late.

John Baird

Readers of *The Week* will no doubt know of Mr. Baird as the former M.P. for Wolverhampton, who was a courageously outspoken supporter of the Algerians during the war with France. He is at present seriously ill in hospital. We are sure that *Week* readers will join us in wishing him a speedy recovery.

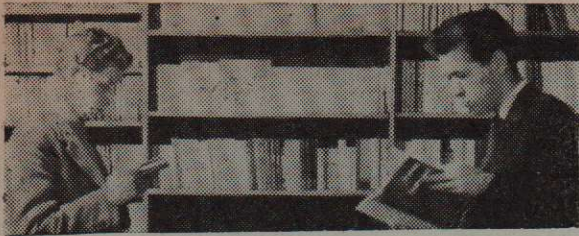
Durham Students condemn Vietnam war

AT its meeting on March 7, 1965 the Durham University Labour Club passed the following motion unanimously. It is being sent to Harold Wilson, Mr. Terry Pitt (Head of Research), Mr. William Warbey, M.P., and the Durham City Labour Party and Mr. C. F. Grey, M.P. (for Durham City):

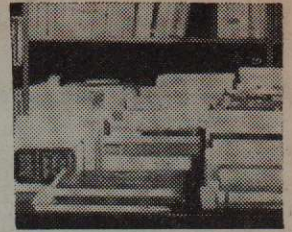
"Durham University Labour Club deplores the support given by the present government to the United States action in Vietnam. It calls on the Government to give full support to the motion put to the House by William Warbey, M.P., calling for a cease-fire and a negotiated settlement."

Attention is drawn to the following points:

- (a) A recent poll in the US has shown that 81% of all Americans are against the war in Vietnam.
- (b) In August last year the International Secretary of the Labour Party said: "Mr. Wilson had, when he was in Washington this year, warned of the dangers of the extension of the conflict into North Vietnam . . ."
- (c) Although the present government appears intent on safeguarding "British interest" East of Suez, this does not entail support into Vietnam.
- (d) There is no evidence at all to support the idea that the US is supporting democracy versus Communist dictatorship in Vietnam or in any other part of S.E. Asia. All the evidence is that the North Vietnam Government has much more popular support than the oligarchies in Saigon, and this applies in the South as much as in the North. This really implies a full US withdrawal from Vietnam.



BOOKS IN REVIEW



THE NATIONALISATION OF STEEL

THIS book by George Ross, who studied under Ralph Miliband, appears at a most opportune moment. It is a deep and thorough study of the nationalisation of steel by the 1945-51 Labour Government.

The first nationalisation proposal occurred in 1934, when the T.U.C. proposed the 'socialisation' of the steel industry. Ross explains "... the T.U.C. proposed few daring experiments in worker-management relations, few steps in the direction of industrial democracy. Workers in the industry were to be given increased control over their own working conditions and some role in the appointment of the new boards, but nothing more spectacular was envisaged."

Not much more was heard of these plans until the 1944 revolt of the rank and file forced the Labour Party leadership to specify prospective nationalisations. A bitter struggle had to be waged before Morrison and Greenwood agreed to make any reference to iron and steel.

There was no rush made by the new Labour Government to nationalise steel. Even although given an overwhelming mandate by the electorate, the gradualness of the encroachment on this particular bastion of capitalism was nearly imperceptible. Wilmot presented his first plans to a Cabinet sub-committee in March, 1946. Morrison opposed the report on the grounds that it would disrupt iron and steel production. In spite of this opposition, in April the plans were formally accepted and a Dr. H. J. van der Bijl of South Africa was brought over to explain how the South African nationalised industry worked and to "convince the British Industry that nationalisation was not such a bad thing after all, that it might bring positive advantages, and that, therefore, participation in the Iron and Steel Board to help plan for nationalisation would be a wise move."

The British Iron and Steel Federation agreed to help on the Board and in fact took many of the leading positions on the Board. Owing to the lack of any firm Ministerial initiative, during the Winter of 1946-47 very little progress was made, but in April, 1947, plans were presented to the Cabinet and it was assumed that steel would be taken in the 1947-48 session of Parliament. Also in the Spring of 1947, Sir Andrew Duncan, chairman of the BISF, contacted Attlee with a compromise that would keep the Labour back benchers quiet without upsetting the status quo. The "compromise" included giving the Iron and Steel Board wider power in directing industry and in suggesting the nationalisation of any particularly recalcitrant firms. Only strong pressure from the left led to the "compromise" being rejected, but the waste in time involved meant that the Steel Bill could only be tackled in the 1948-49 Parliamentary session.

It was not until November, 1948, that the Steel Bill had its second reading. It turned out to be a modest affair: names, administrative structures, and personnel, including boards of directors, were to be preserved through the transfer of ownership. The Tories launched an immediate attack on the Bill and tabled no fewer than 480 amendments.

The prospect of the 1950 election strengthened the resolve of Labour's right wing to go carefully. It was only in the Spring of 1950 when the Minister of Supply was asked to prepare names for the board of the nationalised Corporation. The Minister approached the BISF for a list of suitably qualified people from whom he could pick members of the Corporation. He was refused! The steelmasters were fighting back and gave their reasons as being that the Government had not attained a "clear majority" at the polls. One

wonders what they think of the present majority.

Strauss denounced the activities of the steelmasters: "This is not a question of a number of people individually and independently coming to a decision that they do not want to serve on the Corporation. This is concerted action by a number of people for the specific purpose of sabotaging an Act of Parliament."

A board was finally chosen with S. L. Hardie, head of the giant monopoly, British Oxygen, as its chairman, Sir John Green, a director of a Sheffield steel firm, as its vice-chairman and assorted soldiers and career diplomats as the members. To the vast annoyance of the Tory press one trade unionist sneaked on to the board.

The steel industry was finally nationalised on the 15th of February, 1951, five years after the first plans had been discussed. The steel workers showed little excitement. Ross comments: "There were no signs outside factories claiming these 'Steelworks Belongs to the People'. In fact nothing much really had changed. If the 'Nation' owned the steelworks, the worker saw only that his own bosses were the same after, as before, nationalisation."

The Tories won the General Election on the 25th of October, 1951, and had effectively annulled the nationalisation of steel by the 13th of November. Three weeks of resolute action was enough to destroy five years of Fabian caution.

George Ross has written a topical and disturbing book that has to be read by all of the left.

Julian Atkinson

* "The Nationalisation of Steel", by George W. Ross, 30/- MacGibbon and Kee.

The International Monetary Fund

A BRITISH ECONOMIST'S VIEW

THE establishment of the International Monetary Fund, as a result of the negotiations at Bretton Woods and Savannah, was essentially a victory for the international monetary policies of the United States. Any comparison of the original two main plans presented at the two conferences indicates quite clearly that the I.M.F. was "a U.S. masterminded project."

The competition between the Keynes plan for an International Clearing Union and the proposal associated with Henry White (of the U.S. Treasury) for a Stabilisation Fund was, of course, one-sided. Considering the war-time circumstances of the first negotiations it is hardly surprising that the U.S. approach to international monetary problems prevailed. In addition, Keynes was not supported by British colleagues who feared that both London and the Bank of England would be adversely affected by the Clearing Union. At the Savannah negotiations in 1946 Keynes was defeated on the issues of the location of the Fund and the relationship to exist between the member countries' governments and the Fund. Bitter in defeat Keynes commented "You two brats will grow up politicians; your every thought and act shall have an *arriere-pensee*." The two brats being the I.M.F. and the World Bank.

Some of the Chinese arguments are quite inaccurate. Part of their argument is that the establishment of the Fund raised the status of the dollar and created or extended the gold exchange standard system, with the dollar as a key reserve currency. That the status of the dollar after 1945 was raised cannot be doubted. But to assign the responsibility for this to the I.M.F. is to grossly overestimate the significance of the institution in the immediate post-war period. The real cause of the enhanced status of the dollar was not the Fund but the devastation of the European economies in the war and the reconstruction attempts afterwards. In other words the "dollar problem" or "dollar scarcity" gave the dollar a higher status; not the establishment of the I.M.F. The increased use of dollars as reserves again was due to the dollar scarcity,

and in as much as the I.M.F. supplied dollar credits, it alleviated the dollar problem.

Another argument used by the Chinese alleges that the Fund fixed the official price of gold at \$35 an ounce. The Fund did not fix the gold price, this was done in 1934, more than ten years before the Fund was created. During 1946 and 1947 the Fund did conduct a survey of current exchange rates and considered the economic position of all member countries. It was decided, however, to leave the existing structure of exchange rates alone and not to advise or compel any member to adjust its exchange rate. The adjustment of exchange rates came later, in some cases without the Fund's or U.S. approval, particularly in 1949.

It is factually inaccurate for the Chinese to suggest that Fund members must repay credits with dollars. In fact they can repurchase their currencies from the Fund with gold, dollars or any other convertible currency. In practice gold and dollars have normally been used in repurchase transactions. Since the Fund's commencement of operations, to April 1964, something like 55 per cent. of repayments have been in the form of dollars.

The main burden of the Chinese argument is that one precondition for financial assistance to member countries is that the Fund investigates, meddles and compels the member to adopt policies dictated by the I.M.F. (the aim being to allow the U.S. to dump goods onto underdeveloped economies and to allow penetration of these economies by U.S. monopolistic capital). The first point that needs to be made is that the Fund does investigate and make recommendations to potential borrowers. The Fund has certain aims which are clearly stated in its Articles of Agreement. These are broadly that countries should aim at free and multilateral trade and payments. These aims preclude trade restrictions such as tariffs and quotas and also payments restrictions such as multiple exchange rate systems. There is, however, no compulsion, the member countries' governments have complete control of all domestic, economic and financial affairs. When the Fund began

operations a transitional period of five years was envisaged during which trade and payments controls would be relaxed and gradually abandoned. Both types of controls still exist in many less developed economies, indicating that the Fund's early expectations have not been met and the transitional period is now almost 20 years old.

The U.S. is accused of exploitation by means of buying cheap and selling dear. This presumably refers to the adverse tendency in the terms of trade of less developed economies. In terms of the national interest of underdeveloped economies the exchange of unequal values might well be working the other way round, in that part of the output of primary products could not, under present circumstances, be consumed in the underdeveloped economies.

The I.M.F. is not and was never intended to be Communist or socialist in its outlook. It is absurd to expect the product of a capitalist western world to be anything else. If economic aid (plus some degree of exploitation) is regarded as better than no aid, then in the interests of the underdeveloped countries, it must be accepted until the choice is between aid with no strings and aid with strings.

M. J. McCARTHY, Hull

Advertisers' Announcement

The Ninth World Youth Festival is scheduled to be held in Algiers from JULY 28th to AUGUST 7th. It is expected that 15,000 young people will take part.

The International Preparatory Congress has announced that the Festival will concentrate on four major themes and that four days will be set aside for specific activities in connection with them. The themes are:

- (1) *Friendship with the Algerian people and youth;*
- (2) *Solidarity with Africa;*
- (3) *Solidarity with the peoples struggling for national independence;*
- (4) *International co-operation.*

Anyone interested in going or receiving further information should write to "Festival", 41 Bramcote Drive, Beeston, Nottingham.

THE WEEK SUPPLEMENT AND STOP PRESS, 17th March, 1965, Vol. 3, No. 11

MR. WILSON STILL BACKS U.S. ON VIETNAM

from a Parliamentary correspondent

Mr. Sydney Silverman, Labour M.P. for Nelson and Colne, asked Mr. Wilson in a private question: "what action he proposes to take to promote a peaceful solution in Vietnam in view of the most recent air raid on North Vietnam by U.S. forces?". The Prime Minister replied that the urgent diplomatic activity to obtain a cessation of the hostilities was continuing.

To this statement, Mr. Silverman countered, that the raids went "far beyond the hostilities of earlier days," and "Do they not amount to an act of plain, naked war?". Mrs. Ann Kerr, Labour M.P. for Rochester and Chatham, commented that large sections of the people of the United States would welcome a statement by the Labour Government dissociating itself from the attacks on the North.

After Tory boos, Sir Alec Douglas-Home got up and assured Mr. Wilson that the Conservative Party was behind him and would support him "in the action he has taken so far in this," and anything he thinks "necessary to support our American allies in this matter."

Readers of The Week should spare no effort to back those Labour M.P.s who are struggling to alter Labour's policy on this matter.

U.S. CONSIDERING NUCLEAR BOMBING OF NORTH VIETNAM

All the leading ^{U.S.} news agencies have reported rumours that the U.S. is studying the selection of possible targets in North Vietnam for nuclear bombing. The agencies say these targets were discussed during the talks General Harold Johnson, U.S. Chief of Staff, had in Saigon last week. The reports also say that the sending of more combat units to the South, ^{was discussed} They originated in Washington on March 12th.

These reports inspired a march in London from Manette Street to the U.S. Embassy on March 16th. Only 50-odd people took part but this is not surprising as there has been a news 'blackout' of these agency reports.

NO FILIPPINO TROOPS FOR SOUTH VIETNAM

According to Manila Chronicle of March 14th, the Philippine Committee on National Defence has ruled out any obligation by the Philippines to send troops to South Vietnam to help the U.S.. The Vice-Speaker of the Philippine House of Representatives, Salipada Pendatun, disclosed on March 5th that the U.S. State Department was still pressing for the despatch of Filipino troops to South Vietnam. The report of the Committee also 'strongly recommended' the re-examination and revision of all military agreements with the U.S. It stressed the need for Philippine consent before U.S. bases on her soil could be used for foreign operations. It seems as though the British Government could learn something from a country which has usually been considered an American puppet on how to stand up to U.S. pressure.

Another part of Arabia under British influence is the scene of trouble. Five thousands Arab oilworkers, employed by the Bahrain Petroleum Company, began a strike on Saturday 13th of March. Since then there have been demonstrations, clashes with the police, damage to property and vehicles and arrests of 'ringleaders.' The company and the Government, of course, blame the trouble on 'Nationalists', 'Communists' and 'Baathists', claiming that recent redundancies have been exploited for political reasons.

On March 14th, 43 demonstrators were arrested, after the Government had issued firm orders to security forces to break up demonstrations. After this, executives of the oil company expressed the opinion that they hoped the strike would collapse. Bahrain is virtually a British possession, and when there was a political upsurge the Tory Government deported the leaders to St. Helena. It is to be hoped that the Labour Government does not emulate them in helping to prop up a completely undemocratic and reactionary set-up.

Editorial note: Next issue of The Week will contain a background article on Bahrain.

BRITISH COMMUNISTS OPPOSE RUSSIAN LINE ON CONFERENCE

by Dave Windsor

After a meeting last week end the executive committee of the Communist Party of Great Britain announced that it will oppose the calling of a preliminary consultative conference of the 81 Communist and Workers' Parties on world international problems. It gave as its reason an opinion that such a conference will only become possible when the main parties are agreed on its composition and convocation. The statement said that the C.P.G.B. had participated in the recent Moscow conference on the understanding "that it was solely a consultative meeting.". It endorsed the call of the meeting for efforts to strengthen the unity of the international Communist movement, and other aspects of the statement issued after the meeting. But when it came to the suggestion of a preliminary consultative conference it said: "...we do not regard this proposal as practicable so long as the present problems, which have so far prevented the meeting of an inclusive conference, remain unsolved."

The statement concluded: "...we urge renewal of the bilateral talks between the Communist Party of the Soviet Union and the Communist Party of China with this aim in view." This act of independence from the 'Moscow line' is yet another symptom of the irreversible break-up of the former Stalinist monolith. Whilst in most countries this has led to what the Chinese call revisionism, the net result can only be beneficial because of the likely improvement in the exchange of ideas between different sectors of the working class movement.

BERKELEY UNIVERSITY HEAD QUILTS

from Jill Westby

Readers of The Week will remember the reports of the struggle in huge University of California for free speech. The demonstrations have led apparantly to the decision of the University's President, Mr. Clark Kerr, to resign. A similar decision was announced by the Acting Chancellor of the University's Berkeley branch, Mr. Martin Meyerson. Neither offered any explanation.

Editorial note: An article giving the background to the struggle, written by a Berkeley student, appeared in Week, Vol. 2, No 23/4, which is still available for 1/-.

The Financial Times of March 15th carried, as its lead story, a despatch from its United States' staff outlining the opinions of American big business on Britain's forthcoming Budget. This article was extremely revealing and is worth quoting at length to illustrate the kind of pressures which are being applied to the Government from its chief 'ally.' The article commenced:

"Mr. Harold Wilson's speech next month to the Economic Club of New York will have to contain at least some promise of economic sacrifice by Britain unless it is to prove utterly pointless. Wall Street will welcome further (sic) assurances from the Prime Minister that the Labour Government intends to use all the forces at its disposal to defend the parity of sterling. But his remarks will make little impact if they have been preceded eight days earlier by a Budget containing enough inflationary elements to threaten these defences. Even business economists in the U.S., though typically less sanguine about the merits of deflation than most financial men generally, agree that Britain, having spent beyond its means in 1964, must now be prepared to tighten its belt for a time....

"It has read with misgivings, therefore, rumours from London that there is a dispute within the British Cabinet on whether the forthcoming Budget should be expansionist or deflationary...Throughout last November's sterling crisis, speculation against the Pound was less severe in the U.S. than on the Continent, and confidence has grown since that, with a 7% Bank Rate and import surcharges, Britain will succeed in restoring temporary order to its external accounts. Yet in practically any Wall Street discussion on Britain's economic situation, speculation will eventually crop up as to whether devaluation may not have to be resorted to in the not too distant future....

"The most common consensus seems to be...that the Budget should not even be neutral but that for the sake of confidence it should provide for at least a few more spending curbs. Thus, Wall Street will be concerned at any extension of existing welfare programmes while some reductions, too, in housing expenditure is often considered to be called for. New tax measures directed to reducing consumer outlays will also be viewed favourably....Further, the Labour Government would give a powerful boost to confidence by dropping plans for steel nationalisation, as it would by taking more direct steps to implement its venerable incomes policy....

"In the prevailing atmosphere of scepticism and uncertainty, the role of the American Government has been an important one and, up to the present at any rate, a stabilising one. Leading businessmen have been going to the Treasury and the Federal Reserve Board in considerable numbers during recent weeks in search of advice on whether to cut their future losses in Britain and to take as much money and profits out of their subsidiaries as possible while the going is good."

After referring to recent developments, namely, the gold crisis, the American balance of payments message and the declaration of what amounts to a war on the dollar and the pound by de Gaulle, the article continues: "All this has produced a clear sense among officials that confidence has now been made so scarce that results in Britain will have to be seen in very short order if the pound is to survive. And by results they no longer mean simply budgetary and other measures...but, more particularly, those which will buy more confidence and, therefore, time on the international markets...under pressure of the confidence crisis, most of them now seem to feel that at least some of the higher demands of the Continent will have to be met.... There are few illusions in Washington or New York that sterling, even with American help, could easily survive another major attack from which the Continental Powers were unwilling to rescue it."

On March 1st, Mr. Arthur Lewis, Labour M.P. for West Ham North, asked Mr. H Dennis Healey, the Defence Minister, if he was aware that the British Government was assisting the West German Government in its efforts to recover what are known as the Easter Territories by circulating the West German sheet, Focus on Germany, in each issue of the official newsheets published by the British Army of the Rhine. Mr. Lewis went on to ask Mr. Healey if he would stop this distribution because the sheet contained a map which showed large parts of Poland and the Soviet Union as part of Germany. Mr. Healey agreed to this request and said that the B.A.O.R. had been asked to delete this map from future editions.

However, on Monday March 15th, in answer to a further question from Mr. Lewis, Mr. Healey announced that the original order had been rescinded. Mr. Healey claimed that the original reply had been based upon a misunderstanding. He went on: "I have since found that the map shows the 1937, rather than the 1939, frontiers of Germany. Had it been the 1939 frontiers it would have been most objectionable. But the 1937 frontiers are a different matter."

This decision is an important indication of the attitude of at least a part of the Cabinet on the question. It may also reflect West German pressure - Mr. Harold Wilson has been to West Germany between the first and second time this came up in Parliament. The 1937 frontiers included East Prussia (now divided between Poland and the Soviet Union) and Silesia and Pomerania (most of which are now Polish) as part of Germany. The transfer of these territories was agreed at Potsdam. It is inconceivable that they could be returned to Germany without war.

BIG MONEY IN MALAYAN RUBBER

by Dave Windsor

The Financial Times reported on Tuesday March 16th, "Exceptionally big rises ..in the shares of the twelve Malayan rubber plantation companies of the "Guthrie Group" on the news..that they are to be merged in a new holding company, the Guthrie Corporation. Gains in £1 issues ranged up to 13s 4½d in Malacca Ordinary...and in 2 shillings issues up to 2s 3d... in Linggi...Yesterday's prices value the equity of the proposed Guthrie Corporation at about £20 million. This figure excludes the sum of about £2 million which is to be repaid to members of the companies in the scheme. The day's gains added £4-5 million to market values..."

This item would indicate that British big business enthusiasm about the creation and defence of Malaysia is not without cause.

AMBULANCES FOR CUBA FROM BRITISH PEOPLE

from a special correspondent

Four Ambulances were handed over to the Cuban Ambassador by Mr. S. Mayne, vice-chairman of the British-Cuba Association, on March 16th. The ambulances, destined for the Cuban Red Cross, ^{were} the gift of the British-Cuba Association and the Anglo-Cuban Parliamentary group. They had been paid for out of the residue of the £25,000 collected for the 1963 hurricane relief fund.

PREVIEW OF NEXT WEEK'S ISSUE: This will include a number of trade union articles including one on the Exhibition Industry written by a shop steward, a summary of an article by the Editor of the Stock Exchange Gazette in which he argues that it pays to be very tough with trade unions (citing the Denby affair), important material from the United States on the Selma struggle written by participants, and many other exclusive articles.

the week

A NEWS ANALYSIS FOR SOCIALISTS

EDITORS--ROBIN BLACKBURN - KEN COATES

54 PARK ROAD - LENTON - NOTTINGHAM Telephone 48869

Dear Comrade,

This week's issue of The Week has only eight printed pages. This has been thrust upon us by an acute shortage of funds. In point of fact, had we been "sensible" we would have stopped publication altogether. Our commitments to our readers and their subscriptions, and to our principles, make this impossible. Instead, we have cut our costs and placed our faith in our readers in the hope that those who are able will come to our aid with sufficient donations to put us back on our feet and allow us to return to our normal size next week.

PLEASE - If you owe money, or are able to send a donation, large or small, mail it to The Week by return of post.

If the Labour Government is to survive, the prodding assistance of an informed left wing must make itself felt with increasing vigour. Over these last months, we have been doing just that, but the need for The Week as a means of communication, a forum of ideas, and an organiser of protest will increase in the coming months.

The anti-socialist pressures acting on the Government will only be resisted if a sustained body of opinion articulates clear alternative policies. Such is the job we set ourselves. If you think the job is important, put us back on our feet. You will help The Week develop beyond its present limitations until the demand for socialist policies registers an unmistakeable impact on the political and industrial scene.

There is one advantage of our depleted format: we can use it to regain some of the topicality that was lost when the mimeographed issues came to an end. For this reason we are enclosing two duplicated leaves of up-to-the-minute items which would otherwise have been carried forward to next week. Even when we regain our former size, we will probably continue this service.

Return to THE WEEK 54 Park Rd., Lenton, Nottingham.

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