

aided by the media, will be prepared to spend millions of pounds to delude the people, but we must ensure that they do not succeed.

The pioneers of our movement realised long ago that capitalism is an economic jungle, and the Treaty of Rome is nothing more than a charter for this same creed. Aneurin Bevan surely came to a logical conclusion when he said that the jungle is not made more civilised by making it bigger.

BRITAIN'S CRISIS AND THE SOCIAL CONTRACT

Harry Smith
Editor

Amalgamated Union of Engineering Workers
Technical, Administrative and Supervisory Section

E'ARNINGS may be rising at 37 per cent a year,' trumpeted the *Times* on January 21, 1975. The rest of the press followed suit, except that they concentrated on the 28 per cent increase in basic weekly wage rates in 1974. Editorials and news features weighed in with sharp, sometimes hysterical, comment to demand action of the government. Once again wage increases were held to be responsible for the total economic, political and social crisis and the naughty workers must be dealt with by a firm government hand.

The figures selected to point the argument go to demonstrate the invariable bias of the capitalist mass media. The official statistics which triggered off this outburst show that during 1974 earnings rose by 25 per cent, and the retail price index by 19 per cent. The use of national average earnings is dangerous if the figure is not further analysed. Special case settlements and the London allowance are included, for example. Then, when allowance is made for increased taxation and other factors, the reality is that, on average, workers have only just managed to make their actual take-home pay move with the index. The index in any case understates the real increase in the cost of living. It thus emerges that the hue and cry is about workers not quite managing to hold on to their original real earnings during 1974.

It must be bluntly stated that Britain's economic crisis is caused by several world-size economic and social factors. Some are:

The countries of working class power limit the area of the world which capitalism can exploit.

Producers of primary products, from oil to sugar, insist on getting a fairer price than hitherto for their products (still in many countries produced under atrocious conditions).

The growth of the world's population and the demand that the new mouths be fed works through in a variety of ways as a limitation on supplies.

Competition between trade rivals sharpens as the new cyclical crisis of capitalism develops. The weaker British capitalism bears the brunt.

Britain's membership of the Common Market lays her economy wide open to the thrust of stronger rivals within the Market.

These and other forces and factors cause a general crisis in all the economically advanced nations, and particularly savagely in the case of Britain. They brutally push against our whole economy, severely distorting and reshaping Britain's economic conditions with the rest of the world and creating sharp internal developments, the one hitting us hardest being the increase in the cost of living.

Anyone who then has the neck to argue that British workers are responsible for Britain's economic crisis, and are not the victims of the modern workings of capitalism, is either idiotic or class blind.

The fact is that if all workers did without any increases in money wages these world economic forces would contribute to the drastic forcing up of the cost of living. We would literally move rapidly towards penury, and to starvation beyond that.

Workers are not responsible for the crisis. They are responsible for ensuring that they and their families manage to support existence in the economic chaos of the system. They must and do defend their living standards by never-ending struggle against capital, to seek to hold the real level of their wages. Despite their best efforts they just about manage to run on the spot or slip back a little bit.

It is ludicrous for Denis Healey to hint that he will introduce a tough budget unless wage increases slow down dramatically or that others threaten the workers with consequential unemployment. On January 21 the *Daily Mail* attributed to Denis Healey the thought: 'I'll take it away in tax.' There is no doubt that this is a fair summary of his position and that he joins in the attitude that workers cause the crisis, have had enormous wage increases and should be stripped of their ill-gotten gains. This is particularly incredible when it is recognised that he has already had his cut anyway. We must pause to think, when his position so clearly and accurately reflects the lies, bleatings and demands of the kept press of capitalism. Whose side are you on, brother? We know whose side Tony Benn is on. He recently said: 'British inflation is the result of over-priced goods produced with outdated equipment by underpaid workers.'

A further cause for concern is that the TUC leadership feel it

necessary to talk about tightening up the social contract, that device with which they aimed to get workers to ease off their wage struggle and which rests implicitly on the proposition that workers do cause the crisis and by moderating or limiting their wage struggle could cause the crisis to be resolved. Not on your Nelly! Neither in whole nor in part. Only a moment's reflection about the forces described earlier will demonstrate this point.

The original proposition is not true. The Social Contract is therefore a nonsense—the idea of screwing it tighter a still bigger nonsense. At a time when the cyclical economic downswing of capitalism is causing a rapid increase in the number of workers unemployed, the proposition that reduced wage activity will prevent or limit unemployment is bunkum. In our present economic system only a successful struggle to maintain and advance wages, by maintaining some demand in the economy, can restrain the sharpening plunge towards mass unemployment. The very reverse of the position which the pundits outline.*

The organised workers have no option but to continue to use their full power to hold on to or improve their real wages as a protection against the blows of the system. It is surely time that the TUC leadership, the Labour Party and the Labour government declared that the culprit causing the crisis is capitalism, and began to support deep cutting changes in the system itself. It is surely time that organised workers drew fundamental lessons from their never-ending, running-on-the-spot economic struggles: to turn from dealing with effects to dealing with the cause, capitalism; to think in terms of an immediate radical programme including:

A large extension of effective public ownership, as areas of industry fail.

A fundamental redistribution of wealth.

The elimination of all policy hangovers from the days of British imperialism, such as ending military expenditure abroad.

Necessary economic measures, as price and import controls, control of capital exports, realisation of foreign assets, etc.

The elimination of waste in our society, starting with a drastic cut in the still escalating arms expenditure.

The direction of investment towards achieving growth in industry or improving social services.

The redirection of foreign trade towards the stable markets and economic circumstances of the socialist lands.

Such a programme would be a first step towards modifying capitalism in the direction of socialism, and would open up the possibility of

* For a fuller discussion, see the pamphlet, *Social Contract: Cure-All or Con-Trick?*, Bert Ramelson, *Communist Party*, 32pp, 15p.

further steps. Basically inimical to all that capitalism stands for, it goes completely against the pure capitalist philosophy and arrangements of the Common Market. It therefore supposes that we will leave the Market and assert the sovereignty of the British people over their own affairs.

Another problem which looms is that the new imminent nationalisations, of aircraft and shipbuilding, and the government's launching of the National Enterprise Board, are causing an upsurge in worker interest in participation and workers' control. Naturally, the sense of alienation and crisis which workers feel, the particular incompetence, weakness and failure of British capitalism, feeds the thought that perhaps the workers' organisations should be represented on the boards of public and private concerns. Superficially attractive though the idea might be, it is particularly dangerous that workers' organisations move towards helping capitalism to run itself. It is impossible to create islands of socialist or worker enterprise in a system in which private capitalism still dominates. It would be a diversion of necessary effort if, by our actions, our movement suggests that union representation on the boards is the answer, in whole or part, to the problems of our economy, or Britain's and the world's economic crisis.

So long as the private sector dominates in Britain, the most that can be achieved is some worker influence over affairs. Methods of participation should be devised which underline the independent role of the workers. For example, the mode of influencing the aircraft and shipbuilding industries could be by establishing the following points:

That the industry be responsible, through a minister, to parliament.

That the governing boards be chosen from individuals of personal merit and experience, drawn from the worker movement.

That an absolute right of consultation be accorded at all levels in the unions.

That unions be clearly and effectively recognised.

That clear and specific terms of reference be drawn up for the nationalised industries, including a strong emphasis on their social role.

Space does not permit a full definition of these concepts. Suffice it to say that worker influence could be exerted by worker organisations through parliament, by the work of individuals on the boards, in consultation with and by direct action of trade unions. The insistence on individuals, rather than union-chosen representatives, being on the board avoids the conflict between the union represented and the union taking direct action. The system proposed creates a condition of maximum influence at the same time as the independence of unions

is confirmed. The publishing of clear terms of reference for such industries also creates the basis on which political action can be deployed to fight out the role of each industry. They would enable the struggle to push the role of such industries towards socially sound policies to take place around a clear axis.

Finally, worker organisations must exert maximum pressure to maintain or improve real wages. Beyond that, they must increasingly understand the nature of capitalism and its crisis, broaden and widen the struggle against it in all socio-economic fields, maintain a fully independent political-industrial position and put their weight behind a programme of very deep cutting, anti-capitalist reform. For the rest, if the crisis continues to deepen, and British capitalism collapses, other questions would come on to the order of the day. Then we might see workers seize hold of their country's economic resources and emerge into a crisis-free, new system, replacing completely the instability and economic chaos of a capitalism winding towards its end.

ECONOMIC DEVELOPMENTS IN THE IMPERIALIST COUNTRIES— 1974 BALANCE, 1975 FORECAST

Jürgen Kuczynski*

IN last year's survey of the economy of the capitalist world we said (*Horizont*, No 4, 1974): 'For the first time since the end of the second world war we observe a unified downward movement of the economy in the imperialist countries. They have all been hit by a cyclical crisis of overproduction. For the first time since the second world war we can talk of a cyclical world-wide economic crisis of monopoly capitalism. It is not yet possible to assess how serious the crisis will be. But it is already obvious today that it has hit all imperialist countries.'

Now, a year later, the governments of the Western world talk about the worst crisis since the second world war, and make frightening comparisons with the biggest crisis in the whole history of capitalism, that of 1929-33. The Christmas number of the *Economist*

* This article is taken from a longer contribution which appeared in the Berlin journal, *Horizont*, No 4, 1975.