

Printed by
J. Whitehead & Son
Scarborough
T.U. all departments

The Patriots

by
MICHAEL McCREERY

Published by
The Committee to defeat Revisionism
for Communist Unity

One Shilling & Sixpence

January, 1964

Scanned / Transcribed by
The Socialist Truth in Cyprus – London Bureaux

<http://www.st-cyprus.co.uk/intro.htm>

<http://www.st-cyprus.co.uk/english/home/index.php>



The Patriots

by

MICHAEL McCREERY

Published by
The Committee to defeat revisionism for Communist Unity

Flat 3, 33 Anson Road, London N.7.

PART I
THE RULING CLASS

Patriotism Ltd.

FOREWORD

Perhaps the greatest achievement of the British ruling class during this century of wars and revolutions has been the way in which they have successfully maintained their hold over the minds of the majority of the working class; the Labour Party, (which most workers still regard as *their* Party,) fully accepting the capitalist system of exploitation, and only arguing with the Tories about how best to maintain it.

Many who recognise this clearly enough still believe, however, that there is at least one Party which stands four-square for Socialism and the ending of exploitation. The Communist Party of Great Britain *claims* to do this. But does it? In parts II and III of this pamphlet have been reprinted a number of pieces criticising the general line of policy advanced by leading Communists, acting on behalf of the Party, towards the national liberation struggle in West Africa, and towards the struggle against monopoly capital in Britain itself. The evidence is there for all to read. They do *not* argue for a real fight to the finish against imperialism in Africa. They do *not* present a real challenge to monopoly capital in Britain. They postpone the challenge on the grounds that the time is not ripe. But for these characters, and the Party which they represent, the time never will be ripe; for they too have accepted the system, they only advocate action within the framework of imperialism.

These fig-leaf Marxists must be exposed, along with social democracy, as agents of British finance-capital within the ranks of the working class. The hold which the capitalists still have over the minds of so many militant workers, through the Labour Party and the C.P.G.B., must be smashed before we can advance to victory over imperialism, in alliance with the workers and peasants of all lands.

MICHAEL McCREERY, 19.12.63

Ford's of the United States is to be allowed to acquire complete control over Ford's of Dagenham. As is usual on these occasions a veil has been drawn over the preliminaries. We can only surmise at all the weighing of financial pro's and con's which must have gone on behind the scenes. Of one thing we can be sure, the interests of the British people were never once considered.

We can be sure of this, because not so long back we had a rare opportunity to look back-stage at the machinations of the British monopolists; and it was not a very pleasant sight. I refer to the publication of the proceedings of the Bank Rate Tribunal of 1957.

Reading the evidence given before this Tribunal was like nothing so much as turning over a large stone lying on the ground, to find that you have disturbed numerous slugs and insects, crawling about their business beneath the stone, secure in the knowledge that they cannot be seen from the outside world.

Readers will remember that the Tribunal had been set up, as a result of the pressure of public opinion, to inquire into allegations that some of the directors of the Bank of England had made use of their knowledge that the bank rate was going to be increased to benefit the companies of which they were directors.

If bank rate goes up, then the value of Government bonds, or "gilt-edged" securities, as they are called, falls, and any company holding large quantities of gilt-edged will suffer considerable capital losses.

On Thursday, 19th September, 1957, bank rate was pushed up to the crisis level of 7%, and the value of gilt-edged fell sharply. On Wednesday, 18th September, it transpired, there had been unusually heavy selling of gilt-edged by a number of companies with which two directors of the Bank of England, Lord Kindersley and Mr. William Johnston Keswick, were connected.

Had they, or had they not, abused their position, made use of their knowledge that bank rate was going up, so as to feather their own nests? That was the question to which the Tribunal set out to find an answer.

Key role of the Bank of England

The Bank of England, a key organ of the monopoly capitalist state, is, in the words of Mr. Cameron-Fromanteel Cobbold, the then Governor,

"the banker, agent and confidential advisor to Government over a very wide range of financial matters, domestic and international. The bank has also a direct responsibility for market monetary management, which includes the fixing of bank rate and various other market operations."

It was nationalised in 1946, but real power remains firmly in the hands of the Court of Directors, whose members are drawn almost exclusively from leading firms in the City of London, the centre of the spider's web of British finance-capital. We may take Mr. William Johnston Keswick as typical of them all. The Attorney-General questions him:

"Are you a director of the Bank of England?"—"I am."

"Your brother is John Keswick?"—"Yes."

"And you are both directors of Matheson and Co. Ltd., largely owned by Jardine, Matheson and Co. Ltd.?"—"Yes."

"And is that company operated and controlled from Hong Kong?"—"Yes."

"Are Jardine, Matheson and Co. general managers of a number of private and public companies operating in the Far East?"—"Yes, they are."

"Do they include the Jardine Engineering Corporation Ltd?"—"Yes."

"The Indo-China Steam Navigation Co. Ltd?"—"Yes."

"And the Hong-Kong Fire Insurance Co. Ltd?"—"Yes."

"Of what other companies are you a director?"—"I may not be able to give you the full list, but I can give you most."

"Can I help you? If this is an accurate record of the directorships?"

"There are a lot of subsidiary companies which I probably might forget."

"Are you joint deputy-chairman of the Alliance Assurance Company?"—"Yes."

"A director of the B.P. Tanker Co. Ltd?"—"Yes."

"Of the B.P. Trading Co. Ltd?"—"Yes."

"Of the Barragore Jute Factory Co. Ltd?"—"Yes."

"Of the British and Chinese Corporation?"—"Yes."

"Of the British Petroleum Co. Ltd?"—"Yes."

"Are you a governor of the Hudson's Bay Co?"—"Yes."

"A director of the Hunwall Tea Co?"—"Yes."

"And the Petroleum Steamship Co?"—"Yes."

"And a director of Scottish Oils Ltd?"—"Yes."

"Are there any other major companies of which you are a director?"—"No major, but I would like to check the subsidiary list in my own office to see whether I have omitted anything."

Banker's Holiday

Keswick was shooting grouse on a private estate in Scotland early in September 1957, along with friends and relations, who included Mr. Nigel Birch, then Economic Secretary to the Treasury in Her Majesty's Government, and Evie Hambro, "a nephew of the Hambro Bank family."

But the holiday atmosphere was disturbed by the arrival of a personal letter from the deputy governor of the bank informing Keswick of "the general worsening financial situation" and that conversations were going on regarding possible remedies, one of which might well be an increase in bank rate. Somewhat later he

received a letter from Hugh Barton, managing director of Jardine Matheson's in Hong-Kong, which went as follows:

"... While I do not for one moment forget that we are a British firm and should therefore support our own currency, I do feel that, with the international nature of our business we might be wise at this time to transfer part of our sterling investments to North America, when there is so much talk of possible sterling devaluation."

On the morning of his return from Scotland, 16th September, William Johnston Keswick made up his mind, and dispatched a telegram to Hugh Barton in Hong-Kong advising him to sell most of the company's gilt-edged. He confirmed and elaborated his advice in a letter, posted the same day.

"My Dear Hugh,

I have just returned from Scotland, where we had a wonderful time, record shooting and good fun all round. But I returned to a very depressed City. I believe the trade figures are dreadful, and one hears on all sides ugly rumours about devaluation . . .

What measures the Government will take to check inflation which is rampant, and to protect the pound, I do not know. I am certain, however, that the credit squeeze will go on, and it looks to me as if money will get tighter. Consequently it must be right policy to keep as liquid as possible . . .

Kadoorie (a director of Jardine Matheson's in Hong-Kong) I know is worried about sterling and is scared. The more people like him who cry down sterling the weaker it becomes. It happens to be our currency, and I feel it is up to us all to support it as much as possible. If sterling goes we all go. But these are platitudes. Now as to gilt-edged . . . perhaps the time has come to sell . . . I must say I can see no reason why gilts should go up. My advice, therefore, all round is to sell.

. . . Again, this is anti-British and derogatory to sterling, but on balance, if one is free to do so, it makes sense to me."

On 18th September, Jardine Matheson and Co. and associated companies sold more than £1 million of Government bonds. On 19th September, bank rate was bumped up to 7% and the value of all government bonds fell sharply. Sale had been made in the nick of time.

The Tribunal sifted a mass of evidence, and found Keswick and his colleague, Lord Kindersley, not guilty of passing on confidential information to their own companies.

The Traitor Class

Working people in this country will be less concerned with the conclusions of the Tribunal than with the general picture which emerged, from the evidence, of men in key positions of authority taking decisions which affect the lives of every one of us, with no

other consideration in mind than the safeguarding of their capital and the maximising of their profits.

The Keswicks and Kindersleys, Bartons and Birchs, are still in the same positions of power as they were in 1957, as their great-grandfathers were in 1848, when Ernest Jones was writing his *Song for the People*.

A song to the men—the working men,
Who long in their chains have sighed,
'Neath the usurer's frown—and Lord and Crown,
And the Churchman's greedy pride.

There's strength in our bands—and our fate's in our hands;
If we knew but to use our power,
The foul-class rule—of the knave and the fool,
Needn't last for a single hour.

Then down to the dust—with titled lust,
And down with the gold king vile,
For the world shall see that we will be free,
And free be the sister-isle.

Is it not time that we completed the job which Ernest Jones and the Chartists began—kicked out this traitor class and started to build a Socialist Britain?

Published in *World News*, (10.12.60)

Industrial Giants

Recent events have focussed attention once again upon the speed with which capital is being centralised in Great Britain through the joining of two or more enterprises into one. Which, in fact, are at present the biggest British combines?

Imperial Chemical Industries, which has attracted its fair share of publicity in recent weeks, leads in terms of its sales in this country, but on a world scale it lies only third among British firms. Considerably larger are Royal Dutch—Shell and Unilever, respectively fourth and sixth in the whole capitalist world in terms of sales.

More and more frequently, in recent months, the tunes of the ice-cream vans in London's streets have been drowned by the cries of "paraffin." This fuel is obtained from Shell and its close associate, British Petroleum, or their United States rivals, as is all the petrol and oil that we use.

The imperial character of both these firms is perhaps their most significant feature. B.P. is active not only in the United Kingdom, but also in Western Europe, North Africa, East Africa, Australasia, Canada, the Caribbean, and, of course, the Middle East.

Shell, too, operates in nearly every country of the capitalist world, extracting oil from wells, shipping it by tanker or pipe-line to the main industrial centres, refining it, and selling the various products obtained both to the consumer and to industry.

This combine consists of two holding companies, English and Dutch, which have effective control over about 500 different companies all over the capitalist world. Their total annual income of £2,674 million in 1960, was about one-ninth as large as the total British national income in that year. Shell owns more than 10 million tons of shipping: by far the largest fleet in the world.

In the five years 1956 to 1960 Shell spent £2,002 million on investment in all parts of the capitalist world; prospecting for oil and sinking new wells, building tankers and pipelines, opening new refineries and petrol stations. This sum, again, is about one-ninth as large as the total of investment of all kinds in Britain during those years.

Exploitation remains the aim

One might ask, what is the main aim of this giant which straddles the political frontiers of the capitalist world? Let the Chairman, Lord Godber, reply. At the 1960 Annual General Meeting he said:

"I would like to emphasise that our policy has always been to distribute to shareholders the maximum compatible with the prudent administration of the business, and . . . we have, in fact, during the past decade, raised dividends fairly steadily, so that the total amount distributed for 1958 was five times as great as ten years previously."

So much for the modern refuters of Marx!

But even these colossal combines are not financially independent! They have to borrow from the great financial institutions in order to keep their heads above water. Lord Godber emphasised this in his 1960 report. But the Chairman of B.P., Sir Neville Glass, expressed it most clearly in the same year.

“Our group is in no way peculiar in having to find some of the money required for capital expenditure from third parties. The capital necessary to meet the growth of oil demand throughout the world has become so great that for some years the industry as a whole has ceased to be self-financing, and nearly all the oil companies have from time to time had to have recourse to the capital markets.

Indeed the expansion of the industry now depends upon the continued availability of large sums of money from outside the industry itself.”

Could there be clearer demonstration that Lenin’s analysis of monopoly holds good for today? The banks (and other financial institutions) and industry need each other. They should never be seen in isolation from each other. Industrial and banking monopolies are fused into finance-capital.

Unilever, also a merger of British and Dutch capital (although as in Shell, the British capitalists predominate) runs Shell a good second, with an income of £1,847 million in 1960. There cannot be a person in Britain whose purchases have not swelled the income of this giant.

Lux soap, Stork margarine, Gibbs’ toothpaste, Walls’ sausages and ice cream, Bird’s-Eye frozen foods, Mac-fisheries, Atkinson’s perfumes, Omo, Vim and Persil—these among many other household names emerge from the factories of Unilever.

In 1960 nearly 300,000 people worked for Unilever. Between 1950 and 1959 it had set aside over £530 million for investment. Why? Let the Chairman answer: “We invest money where we hope to make money.”

Overseas Investment

And so they invest: 29% of it in the United Kingdom, 29% in the rest of Europe; 25% in the Middle East, Australasia, and Africa (of which the United Africa Group accounts for about half), 13% in North and South America, and 4% in East Asia. One can learn much from these company Annual General Meetings. Unilever’s Chairman, Mr. George Cole, reports on the company’s investments in Africa, in 1961:

“Last year we had about £133 million, or nearly 22% of our capital resources invested in (Africa), and beside that we had £12,750,000 invested in Palm Line, which meant twenty-one ships plying between Europe and West Africa . . .

We have three main businesses in the Congo. First we have *Marsavco*, a company which makes and sells soup, margarine and edible oils . . . Next there is *Sedec*, our trading business, an altogether larger affair . . . It deals in manufactured goods, including motors, and in the natural produce of the country . . .

Our third business, our heaviest capital commitment (is) *Plantations Lever au Congo*. We have about 150,000 acres under cultivation, an area rather larger than Middlesex, and we regularly harvest 225,000 acres of natural palmeries as well.

Besides that we have a substantial interest in *Cultures au Congo, S.A.*, and *Plantations de Bokongs*, which have, in all, some 43,000 acres more . . .

Plantations are more than agricultural ventures, important as that aspect is. There have to be mills and factories, bulk oil tanks and clarifying stations, crushing plant and bleaching plant, all the apparatus of road, rail and river transport, and port installations . . .

Taking account of wives and children, there must be about 150,000 people living on our plantations, they depend upon our activities for the whole material framework of their lives.”

Political stability

Could it be that the policy of the British state with regard to the Congo was uninfluenced by the greed of the shareholders in Unilever, and the other giant combines who have invested in the Congo? Will they not use every means to try and maintain capitalism in that land?

Unilever’s former Chairman himself explains his company’s attitude. I quote from Lord Heyworth’s 1960 statement to the shareholders:

“In any place where we intend to venture considerable sums, we take a pretty close look at the general economic and social background first . . . Is the government fairly stable? What kind of a view does it take of foreign investors? Shall we be able to get our profits out if we want to . . . ?

These are a few of the questions we ask when we are deciding whether or not to put money into, say, a soap-factory in Ghana, or Burma. *It is very important that we should get the right answers,*” (my italics, M.McC.)

In our own fight against the industrial monopolies in this country we should never forget three facts. Firstly, they are indissolubly linked with the banks, and other financial monopolies, on whom they depend for cash.

Secondly, in most cases, their greatest strength is still derived from the surplus profits they extract from the peoples of the underdeveloped lands.

Thirdly, they use the machinery of state, at home and abroad, skilfully to advance their own interests, and that means above all, the interests of their leading shareholders, the financial oligarchy.

Should anyone doubt the existence of this oligarchy, which exploits the people of Britain, and of half the world, he has only to travel down to Eton on the next Fourth of June, where he will see them at their annual Jamboree.

Published in *World News*, 14.4.62.

The Anatomy of Britain

The era of direct colonial rule is almost past. The era of neo-colonialism has now opened. Exploitation of the masses, both in the home lands of imperialism and in the under-developed lands, is continued and intensified. But now the financial oligarchies of the West must operate in uneasy alliance with the national bourgeoisie of the "backward" nations, to whom political independence has had to be conceded.

The ruling class in Britain, most powerful of the old colonial powers, has had to make the greatest adjustments, in institutions and in outlook, to meet and contain the rise of the national liberation movement—and much still remains to be done. This conclusion emerges from *The Anatomy of Britain*, by Anthony Sampson.

"Of all stages in a great country's history," he writes, "the aftermath of Empire must be the hardest . . . So many of the institutions which we like to regard as timeless were . . . devised by the Victorians for a specific and calculated purpose as part of the great system of Empire." And he quotes Ian MacLeod, Tory Minister, as saying to him, "Most of us remember the day when at school a third or a quarter of the map was coloured red, and you did get some sort of consolation for being in this bright little, tight little island, and all the jingo phrases, because of the very vastness of the Empire, of which Britain was not only the head but the owner . . . The big new event that is happening, of course, is the coming together of Europe. And I would think that . . . Conservative people see in Europe not quite a compensation for a lost Empire . . . but a way in which in terms of 1962 we can still play a leading and dynamic part among the nations."

Neo-Colonial rule

In other words, British finance-capital, no longer strong enough, militarily, to maintain direct rule over its own vast Empire, no longer strong enough, economically, to maintain the Commonwealth-cum-Empire as its own private preserve, has been compelled to seek partnership with the imperial powers of Western Europe, so as, jointly, to intensify the exploitation of their own peoples and all those in the vast, under-developed lands of Africa and Asia, who have yet to break free from the capitalist world.

Anthony Sampson writes as a member of the ruling class, and his aim in making a comprehensive survey of the main institutions of British finance-capital (aside from earning a tidy sum for himself) has been to assist his own class in making those adjustments necessary for survival in the era of neo-colonialism when working people are rising against their exploiters in all parts of the capitalist world. For this reason his investigations have been welcomed by the leading members of the financial oligarchy. Of the 200 persons in key positions in the state, in industry and in finance, to whom he wrote for an interview, only three refused to see him. Many of their remarks are quoted verbatim, but "several of the exciting conversations were off-the-record, and the information I gleaned from them is discreetly

disseminated throughout the book." At the least then, this book presents a valuable picture of how the key figures within the financial oligarchy view the problems confronting them, and their class, during the 1960's.

Perhaps the central lesson which we in the working class movement can learn from this book is how the various institutions of finance-capital all *interlock*. The machinery of state, centred upon Whitehall, the machinery of the great joint-stock companies, with their headquarters scattered along the banks of the Thames, the machinery of the giant financial institutions, centred upon the City of London; all dominated by a few thousand persons, who have been to the same small group of schools and universities, meet at the same small group of clubs, live the same (materially wealthy) lives, and *think in the same capitalist way*. Why? Because they and their families, friends and relations hold the bulk of the stocks and shares, and the land, and rake in the interest, profit and rent each year. Here is the financial oligarchy, enemy of all working people.

Social-democratic illusions

Social democrats, such as R. H. S. Grossman, have slated this book in their reviews. It destroys too many of the illusions they try and foist upon the Labour movement. Big business has changed its character they say. It is no longer the exploiter that it used to be. On the contrary, writes Sampson, "Industry is concerned with profit and money-making. Profit remains the criterion of success . . . the manager's prestige is identified with profits."

Nationalisation equals socialism, say the social democrats. But the class character of the state emerges clearly from Sampson's book. So long as Whitehall is run by the financial oligarchy, the question of ownership is not of central importance. He quotes that capitalist thinker within the Labour fold, C. A. R. Crosland, "The basic fact is the large corporation, facing fundamentally similar problems, and acting in fundamentally the same way whether publicly or privately owned," and demonstrates that profit, exploitation of working people, is the aim for public as well as private industry. Recent developments in the nationalised transport and coal industries help to drive this truth home.

Our democracy is a reality, the social democrats squeak. Sampson destroys their illusions. "It is inside the Whitehall palaces, and not in Parliament that the sombre day to day decisions are taken which shape the future . . . When the permanent secretaries are opposed to something . . . an invisible wall takes shape in Whitehall: somehow or other things mysteriously fail to get done, difficulties prove insuperable." One might say that just as the shareholders make their weight felt when the board of directors is failing to maximise profits, so Whitehall can and does effectively prevent any move by an elected government which runs counter to the interests of finance-capital.

Sampson writes that there is antagonism in many fields between "the stiff protective world of the Old Freddie's," and "the ruthless,

maximising world of Charles Clore," and himself argues for a compromise between "protective monopoly" and "all-out exploitation." But there can never be unity among the capitalists, either within Britain, or in the world as a whole. Even as they seek to unite against the rising tide of national liberation and working class struggle their own conflicting interests force them apart, and speed their own downfall. McLeod's dream, the United States of Europe dominated by the great Trusts and dominating much of the world, is incapable of realisation. The monopolists can no more unite to save their own skins than hyenas can fly. They will be fighting each other for the wealth extracted from the people to the very moment when the people themselves finally consign them to the grave.

30.7.62. Final paragraph expanded December 1963

The Memoirs of Lord Chandos

Oliver Lyttleton, Lord Chandos, has attained the allotted span, and published his *Memoirs*. Eton and Cambridge, the Grenadier Guards, the City, Business, Parliament, the War Cabinet, Colonial Secretary, and now back into business as Chairman of Associated Electrical Industries; he has had a varied career, and at all times has worthily upheld the interests of his class—that financial oligarchy which rules Britain and exploits half the world.

"To know your enemy you must go into the enemy's country, to get first-hand knowledge of his customs, manners, ways of thinking and acting." When Lenin wrote this in 1908 he was thirty-seven, and Oliver Lyttleton was fifteen, and at Eton.

Within ten years, the enemy in Russia, the capitalists and their feudal allies, had been overthrown. The working class, led by Lenin and the Bolshevik Party, had taken power, had torn the first great breach in the defences of world capitalism.

But through all the following years of wars and revolutions, the power of British capital, of the British financial oligarchy, has remained unbroken. They have continued their exploitation of the common people on an ever-extending scale.

In this the skill and cunning of men such as Lord Chandos has played its part. We, who have still to break the power of the capitalists in Britain, can learn from his *Memoirs*.

Democracy

During the last one hundred years, with the development of industrial techniques compelling the capitalists to provide at least a basic education for the mass of working people, with the growing cohesion and self-consciousness of the working class, the crude reality of class power has had to be camouflaged with the appearance of popular control—universal suffrage, and "democracy." Lyttleton writes:

"It has been shown that Arthur Balfour was right in his epigram or oxymoron, showing that the supreme, perhaps the only, virtue of democracy, is the power to change without revolution.

To Sir Robert Horne, Chancellor of the Exchequer:

A.J.B: 'You know, my dear Bertie, democracy is a much better system of government than autocracy.'

Horne: 'What a portentous thing to say just before luncheon!'

A.J.B: 'Yes, you see, under a democratic system, if the people become displeased with their government, they have only to go to the ballot box and get another one; but under an autocracy, they have no alternative but to cut off the autocrat's head; and, my dear Bertie, the cutting off of autocrats' heads is an idea which is generally inimical to that of autocracy.'

Yes, indeed!

After service in the Guards during the First World War, Lyttleton married a Duke's daughter and joined an old-established City firm. But before long he had moved on to the Board of the British Metal Corporation. This company, says Lyttleton, was:

"more than a mere money-making machine. It had an 'overall strategic concept.' This was to make the British Empire self-supporting in the non-ferrous metals, not only for economic, but also for defence purposes (which) added point and spice to the more pedestrian task of making money for the shareholders and a livelihood for myself."

Super-profits

His description of the international metal trade as a tight-knit cartel earning super-profits for the shareholders of its member-firms is revealing.

"It is supported by one of the largest blocks of capital, probably the largest after oil and steel, in the world. In spite of this, not more than perhaps twenty-five men really counted in the industry.

It is not, in the usual sense of the word, a competitive business."

He gives an example of what this means. "The International Tin Agreement aimed to reduce production when the price fell below £180 a ton." This limitation of output, and price-fixing to ensure monopoly profits for the shareholders, excited, he admits, "bitter criticism."

But his defence is to point out by how much exploitation has increased in the post-war world!

"Many of the critics of the scheme of the International Tin Council in those days would be astonished to learn that the price of tin in 1961 had reached £900 per ton, and might be inclined to acquit us of exploiting our power at £180, even though the currency in which the price was expressed has depreciated three-fold."

If we also take account of improved techniques, which must have lowered costs of production over the past thirty years, it is clear that profits on tin, which were already attacked as "excessive" between the wars, have been swollen beyond all measure in the post-war world.

Armed aggression

By this time, however, Lyttleton is engaged in safeguarding these profits in a rather different capacity. He had done good work in defending and extending Britain's imperial interests in the oil-bearing Arab lands, as Minister of State resident in Cairo during the Second World War, against both French and German imperialism.

He had won Churchill's confidence and friendship, and in 1951 he was appointed to the key post of Colonial Secretary, to supervise the transition from direct colonial rule to the neo-colonialist Commonwealth. He writes that, soon after this appointment:

"I read and talked Malaya for two days. It was evident that we were on the way to losing control of the country, and soon. The repercussions of such a loss on South-East Asia, one of the most troubled and tender parts of the world, were incalculable. Moreover, rubber and tin were amongst the most important exports and dollar earners of the Commonwealth."

Would not a reference to those fat tin profits of the shareholders in the companies dominating the international metal market be in order here? Should he not remember these "money-making machines" when Lyttleton writes of the Malayan War:

"The execution of a terrorist, found with the blood of a British soldier on his hands, raised a storm; any administrative steps that appears rigorous or severe were attacked without regard to the terrible dangers from which we were trying to protect the country."

The hypocrisy of the propertied class has seldom been more clearly revealed than in this book. Murder and violence throughout the world to maintain Britain's imperial power, and the flow of loot into the pockets of the British capitalists—and all in the name of civilisation.

But perhaps the most vital lesson which we can learn from Lord Chandos is the following. When he visited Malaya he was: 'forcibly urged by the European community to . . . dispense with the normal courts and speed up the administration of justice. Drum-head courts were to be substituted.

"I poured scorn upon (this) proposal, against which my deepest beliefs were engaged. 'We stand for law and order,' I said. 'It is perhaps the greatest gift and heritage which we can bestow on these peoples and if we suspend the law because we are too incompetent to secure order, that is the end of us, of our mission and our ideal.'"

Lord Chandos well knows that capitalist laws are designed to maintain and preserve the capitalist system of exploitation, and therefore that respect for the law, for capitalist laws and constitutions, is the strongest ideological weapon of the financial oligarchy in their fight to maintain their privilege and power in face of the growing demands of the people.

Published in *Comment* (8.6.63).

PART II

THE NATIONAL-LIBERATION STRUGGLE IN WEST AFRICA

Five Letters to World News

1

It is really fantastic that Kay Beauchamp, in her article in *World News* (21.10.61), should support the recent sharp attacks made upon the living standards of the working people in Ghana by the Nkrumah government, and, what is more, recognise the need for "firm action" to suppress the strikes called by the trade unions in protest. I rub my eyes in amazement when I read the following:

" . . . wages are still low and the compulsory savings plus the price increases resulting from additional taxation came as a severe shock to the people which might have been softened by closer consultation with the workers through their organisations.

While recognising the need for firm action, it is rather disturbing that it has been felt necessary to arrest 19 leading trade unionists. However misguided their actions may have been, it is necessary to distinguish between working-class leaders and the reactionary opposition."

The National Capitalists

What leads Kay Beauchamp into such a breach of international working-class solidarity is her failure to make a class analysis of the present struggles in Ghana. There is not once in her article a mention of the national bourgeoisie.

But this class does exist! I quote from *Africa—the Roots of Revolt* by Jack Woddis.

"Although cribbed, cabined and confined by the colonial system, the African capitalist class has nevertheless become stronger, especially in the post-war period. In Nigeria, for example, in addition to farming, trade, banking and commerce, a considerable share of road transport is in the hands of African entrepreneurs, albeit small-scale. (This, incidentally, is also true of Ghana). . . . The growth of the African bourgeoisie is . . . particularly marked in Ghana . . ."

Where there is no strong Communist Party, and the national bourgeoisie takes the *lead* in the struggle against imperialism and for national independence, as in West Africa at the present time, one must be careful not to give support to actions taken *in the name of* national independence against imperialism, such as the recent attacks upon the working class, when, in fact, they weaken the anti-imperialist united front between the national bourgeoisie, petty bourgeoisie, peasants, and workers.

Kay Beauchamp quotes with approval Dr. Nkrumah's talk about the need for "socialist ideas" to animate his government. But, as we all know, there is socialism and socialism. President Nasser talks of socialism and attacks the working people. General Kassem talks of socialism and attacks the working people.

Both receive our support in their fight against imperialism, but we condemn both when they persecute the working class and its leaders; because of the need to maintain international working-class solidarity, because such attacks weaken the broad united front against imperialism.

To present the alternatives in Ghana, Egypt, Iraq, or any other under-developed country, as between keeping "within the imperialist orbit" and taking a "non-capitalist path," as Kay Beauchamp does, is to ignore the role being played by the emerging national bourgeoisie in these lands, who want neither East nor West, but their own national brand of "socialism."

Role of the State

If we consider the role which the *state* is being made to play in these lands, talk by Nasser, or Nkrumah, about socialism and a socialist pattern of society, becomes more easily explicable. The national bourgeoisie, *because* it is still weak, is compelled to make very great use of the state to maintain and strengthen its position.

State capitalism is developed to an advanced degree. A very large proportion of industries are nationalised. The emerging bourgeoisie use the machinery of state both to intensify exploitation of working people and to direct surplus value into the most profitable channels.

This use of the state is conveniently described by their leaders as socialism, because this helps to confuse working people, but need we be taken in by such talk?

As Kay Beauchamp says: in Ghana "both before and after gaining power the C.P.P. has relied on the very vigorous participation of the working class, the market women, and the poorer farmers. The mass organisations of the people are active and militant."

But by attacking the working people and their organisations, Nkrumah is weakening the very forces that made possible the winning of national independence, and make possible a further advance against the common enemy, imperialism, and its allies within Ghana, led by the right-wing of the C.P.P.

18.12.61.

2

Kay Beauchamp regards it as "much too sweeping" a statement to say that the national bourgeoisie is leading the struggle for independence in West Africa today. (*World News*, 18.11.61). But if in some countries the national bourgeoisie is not leading then which class is? She does not say.

Guinea and Mali are cited by Kay Beauchamp as two West African states where the national bourgeoisie *might not* be in the lead. Since the only other class capable of taking the lead is the working class there is the implication that they might be leading the struggle.

But in neither country is there a strong Communist Party giving a political lead to the workers. Can the working class lead without such a party? I think not.

Collaboration with Imperialism

There is other evidence on which to form a judgment; the policies of the governments in these countries. A government led by representatives of the working class would have plans for the expropriation of the foreign monopolies which batten upon West Africa today. But, as Jack Woddis makes clear in *Africa—The Lion Awakes*, Guinea and Mali are still dominated by the monopolies, and there are no plans to expropriate them. I quote from page 233:

"Operations (of the international company of F.R.I.A., which extracts bauxites and produces aluminium in Guinea, and incorporates French, American, British and Swiss capital) which began in 1960, are expected to result in an annual output of over 400,000 tons, thus making Guinea the world's third largest producer of aluminium . . .

This is not the end of Guinea's bauxite, for large deposits have also been found at Boke. In November 1956, Aluminium Ltd., of Canada announced that they were planning to invest \$100 million at Boke. "This," states Morrisby (*Manchester Guardian*, 7.1.59), "was the largest investment of foreign capital made to that date in West Africa."

It is significant that in face of this great and growing investment in Guinea by the imperialists, President Toure, to quote a capitalist commentator in *The Listener* (20.7.61), "has always stressed that Guinea needs and will protect foreign capital." Indeed, this is obvious, for the monopolies would not be investing on such a scale in Guinea unless they had received assurances to this effect from the government.

Recent action against the left in Guinea, and talk by Toure about "Marxist-Leninist plans to launch a Marxist revolution in Africa" must be seen in this context. As the *New York Herald Tribune*, European edition, of 24.12.62, put it:

"Negotiations have been going on for the last nine months between Guinea and the United States for a new agreement to develop the rich aluminium ore deposits at Konkourie. Mr. Toure's demonstration *may simplify the task of the Kennedy administration in winning support for any new project decided upon,*" (my italics—M.McC.)

Further, Guinea is today linked with the European Economic Community (Common Market), that association of the imperialist powers of Western Europe. From the *Economist* (25.11.61): "Guinea, despite its differences with France, still enjoys the benefits of association with the Six."

The present policy of the Guinea government is in marked contrast, in this respect, to Cuba, which Kay Beauchamp mentions, where the foreign monopolies *have* been expropriated, and the Cuban people have their hands upon the wealth they themselves produce, and are using it to build the Cuban economy in accordance with their own needs.

Capitalist budget

This leads to the central issue. Kay Beauchamp, continues to support the attack made by Nkrumah's government upon the living standards of the people in Ghana, in the 1961 budget. Her last words are "In any country which really sets out to transform a colonial economy into an independent industrialised one, temporary sacrifices have to be found." Her line of argument is best illustrated from her first article in *World News* of 21.10.61.

"When the government of Ghana planned the budget this year, it faced the problem of how to finance rapid development without relying *over-much* (my italics—M.McC.) on foreign capital . . . In his budget speech on 4th July this year, President Nkrumah said the government had decided that all internal government expenditure, whether recurrent or for development, must be financed by taxation or from other internal sources."

This reasoning is a concession to capitalist thought. Firstly, there is no need to rely *at all* upon foreign capital. Internal resources are more than sufficient to finance rapid industrialisation *and* raise the living standards of the people.

That this is so becomes obvious if we remember that very much more is taken out of Ghana by the imperialists than is put in in the form of "aid," and that this "aid" is not used to industrialise Ghana, but to develop the production of raw materials needed by the imperialists.

As Jack Woddis shows, in *Africa—The Lion Awakes*, the British monopolies still dominate Ghana's foreign trade, mining, insurance, shipping, warehousing, and building; and have their representatives in "key economic positions in the new Ghana state itself," who influence the present economic policy of Ghana. The *Political Quarterly*, January 1962, confirms this:

"Thus, in July 1961, it was found necessary—*on advice drawn from Cambridge* (italics mine—M.McC.)—to discipline the economy by means of an austerity budget which . . . led to the prolonged (and illegal) strike among the railway workers in Sekondi, Accra and Kumasi."

This budget was not in the interests of the working class. If the imperialists:

"get off Africa's back (writes Jack Woddis) . . . then the question—'Where can we obtain the capital we need for development?' would not be so difficult to answer . . . It is not that capital cannot be accumulated within Africa. Such accumulation is taking place all the time.

But the capital so accumulated is largely pumped out of Africa to the West, because foreign investment has placed the key enterprises in the hands of Western monopolies. In other words, investment results in robbery. And yet some people still call such investment "aid," and claim that it is essential to building up the economy of Africa."

Attack the monopolies, not the people

This is the concrete situation in which Kay Beauchamp supports the attack upon the working people to produce forced saving of £31 million for internal development. But so long as much more than this amount is extracted annually from the people of Ghana by the Western monopolies there can be no justification for Communists supporting such a move.

Attack the monopolies, not the people should be our slogan in the Commonwealth as well as within imperialist Britain.

Secondly, the reason for which Kay Beauchamp justifies sacrifice from the people of Ghana exists only in her imagination. For all Nkrumah's talk about the need for "complete industrialisation," for "basic industrialisation" there is no programme for immediate development of *heavy industry*; the key to economic independence. I quote from Kay Beauchamp's first article:

"*The Times* and other British newspapers accuse Ghana of squandering the reserves she had when she became independent. However, one has to remember that a great deal has been done in four years—the big improvements in the railway system, in roads, the development of the Black Star Shipping Line, Ghana Airways and the new harbour at Tema. There has been a considerable development of publicly-owned light industry and significant developments in agriculture."

None of these developments conflicts with the needs of the monopolies who dominate Ghana's economy. The heavy emphasis upon communications, transport and agriculture, only continues the traditional policy of colonial governments anxious to facilitate the extraction of raw materials for imperial use.

Nor is there much evidence that the *general trend* of investment is now going to be substantially changed. Examine the Volta River Project. To quote from *Africa—The Lion Awakes* (page 259):

"It is a complete regional development scheme, including hydro-electric power, bauxite mining, aluminium production, port facilities, road, rail and lake transport, fisheries and irrigation."

Where does the main emphasis lie here?

Or consider the Second Development Plan, 1959-64. Industry and trade account for only 10.4% of total planned development. A perceptible and welcome increase upon the 4.7% for industry and trade under the First Plan, introduced when Ghana was a colony, but hardly a programme for "basic industrialisation."

When so much imperialist clap-trap is hammered into the minds of British working people it is important for British Communists to be clear about developments in the Commonwealth and Empire and all countries still exploited by British finance capital. The working people of these lands need our full support and encouragement in all their attacks upon the British monopolies.

Every blow struck against the monopolies by them advances their own cause of national-liberation and hastens the final overthrow of monopoly-capital by the working people of Britain.

In *World News* of 24.2.62 Jack Woddis criticised some views which he alleged, I had expressed in letters to *World News* on the national liberation struggle in West Africa today. But his criticism was of opinions which I had never advanced.

Jack Woddis writes that I see "only the negative sides of the national bourgeoisie" and consequently "nowhere . . . stress the importance of maintaining the united front of the whole people after winning independence, so that national sovereignty can be maintained, the roots of imperialism removed, and the radical reconstruction of the economy, social life and the state carried forward."

My second letter, in *World News* of 27.1.62, stressed the negative aspects of the policies of the Guinea and Ghana governments in order to show that these governments are not consistently anti-imperialist, but vacillate; and from this to conclude that they are, in essence, governments of the national bourgeoisie. This was necessary, because Kay Beauchamp in earlier contributions to discussion, had mentioned only the positive aspects, and thus left the unwary reader with a distorted idea of the character of these governments.

Jack Woddis can rest assured that I am well aware there are both positive and negative qualities in the national bourgeoisie. Indeed the aim of my first letter (18.11.61) was specifically to warn against giving *unqualified* support to the national bourgeois government in Ghana, because this involved supporting negative policies which were bound to have the effect of disrupting the united front against imperialism. The prime aim is to maintain the united front against imperialism. The argument centres around how this can best be done.

No concrete class analysis

It is, therefore, when we move from the general to the particular that Jack Woddis and I part company. He makes *no concrete class analysis*, in his article, of the situation in West Africa today. Are the West African governments essentially national bourgeois, or not? Kay Beauchamp is not sure. What does Jack Woddis think? We do not know. We can only guess.

Such vagueness is impermissible. Jack Woddis quotes Lenin.

He would do well to remember Lenin's constantly repeated statement; "A Marxist must not leave the firm ground of the analysis of class relations." It is only because Jack Woddis refuses to commit himself on the character of the governments in West Africa that he is able to make appear even remotely plausible his arguments by analogy, his comparison of the action taken by the national bourgeois government in Ghana against the working-class with actions taken by working-class governments against sections of the working people who had been deceived into counter-revolution (e.g. Kronstadt in 1921 and Budapest in 1956).

"The trouble with Comrade McCreery," writes Jack Woddis, "is that he is in too much of a hurry. Cuba took a rapid road to socialism; therefore he wants Ghana and Guinea to do the same. But he forgets that each step taken by Cuba against the foreign monopolies was in response to the ever-widening American attack—sugar, then oil, then sabotage and outright aggression."

Nationalisation of Imperialist monopolies

But Jack Woddis knows very well that this ever-widening attack by the United States was a direct result of the seizure of the property of the United States monopolists in Cuba by the Cuban government (in particular the Agrarian Reform Law) to enable the Cuban economy to be re-organised in the interests of the Cuban people. The Cuban government, which had come to power by smashing the imperialist backed Batista clique in civil war, and truly represented the exploited masses, took actions which made a clash with imperialism *inevitable*.

The same cannot be said of the government in Ghana. Nkrumah may at times be 'very difficult,' but monopoly-capital can do business with him. In Ghana the machinery of state established by British imperialism was handed over intact, to the national bourgeoisie. And in the last resort Nkrumah will always opt to remain within the capitalist fold.

Socialist Cuba

Jack Woddis contrasts the disciplined Cuban workers with the misguided Ghanians. The latter would not accept forced saving, introduced in Nkrumah's 1961 budget whereas the former "of their own volition donated part of their wages over many weeks as a gift to the peasants to enable them to buy tractors." How well the Cuban workers emerge from this comparison!—until we remember that in Cuba the exploited masses have won power, and have begun to build socialism, whereas in Ghana the government aims, within the framework of capitalism, at strengthening the position of the national bourgeoisie. The Cuban workers are sacrificing in order to build socialism, the Ghanaian workers know full well that it is *not* socialism which is being built in Ghana.

Has Jack Woddis read his *Fundamentals*? In the chapter on National-Liberation (page 524) there is a paragraph over which he might well ponder. ". . . after national independence has been achieved . . . some bourgeois nationalists . . . insist that in the name of national unity the workers should sacrifice their demands for shorter hours and higher wages, that the peasants should relinquish their demand for a fair reallocation of the land etc. And when this does not happen, when the social relations begin to become strained, such nationalist elements begin to look for scapegoats. They accuse the Communists of weakening national unity. They begin to imagine all sorts of "Communist plots" although in actual fact it is *objective processes of social development that come into operation* (my italics M.McC), not because they are willed or desired by any

particular party, but because of *the existence of classes with different interests* (my italics M.McC.)”

Unless we recognise that, in West Africa as elsewhere, where the national bourgeoisie now rules, its class interests compel it to try and strengthen its position by moving *both* against imperialism *and* against the working masses we shall make mistake after mistake in our assessment of the struggle for national liberation. The national bourgeoisie in Ghana aims at maximising profits, at reproducing its capital on an ever-extending scale, as do all capitalists. This aim can be furthered in two main ways; firstly by cornering at the expense of imperialism a *bigger slice* of the total of surplus value squeezed from the exploited masses in Ghana; secondly by *increasing the total* of surplus value through intensifying the exploitation of the masses.

The role of the State

The state plays a key role in both cases; for example exclusion of the foreign capitalist from certain sectors of the home market, and nationalisation of industry in the interests of the national bourgeoisie (accompanied by much talk about socialism). But Nkrumah's 1961 budget illustrates this dual economic policy of the national bourgeoisie most clearly. In this there were two main innovations. The first was the introduction of compulsory saving for sections of the working people. The second, to quote the *Sunday Times* (18.2.62), was a “device . . . to prevent companies selling in Ghana at a paper loss to avoid local profits tax, while making handsome earnings from associated companies based elsewhere from which the goods for Ghana were purchased.”

Thus the budget moved both against sections of the working class *and* against imperialism. From the standpoint of the struggle for national liberation it had negative as well as positive features. Nicholas Kaldor, the Hungarian-born Cambridge economist who framed this budget at the invitation of the Ghana Government (and has framed budgets of a similar character for India, Ceylon, Mexico and British Guiana) expressed its central aim to the *Sunday Times* (18.2.62). “I do believe that if the under-developed countries of Africa and Latin America are to develop in a democratic fashion they must reduce economic inequalities in taxation, and must raise more resources by taxation.” For “democratic,” from this Cambridge don, read “capitalist.”

Need for a Communist Party

Of course, all attempts by the imperialists and their feudal and comprador allies within Ghana to win working-class support for reactionary aims must be firmly repulsed. But we need to ask, *How did the conditions arise under which they had any hope of success?* The answer is two-fold. Firstly those parts of Kaldor's budget which attacked the living standards of working people had caused justified resentment. Secondly, there was no independent working-class party, no Communist Party, capable of giving a firm lead to the working-class in opposing this attack in a way which would not have played into the hands of imperialism.

The united front against imperialism can never be maintained by subordinating the interests of the working-class to those of the national bourgeoisie. The dual character of the national bourgeoisie necessitates a dual policy towards it; unity with its positive, anti-imperialist policies, and opposition to its negative policies of alliance with imperialism in order to hit at the people. Only in this way can the struggle against imperialism be brought to a victorious conclusion.

25.8.62.

4

The following errors in Kay Beauchamp's article (*World News*, 15.9.62) can only mislead comrades and should be corrected. Firstly, no serious Marxist ever includes the petty bourgeoisie *within the ranks* of the national bourgeoisie, as does Kay Beauchamp. Fully-fledged capitalists must be distinguished from e.g. small traders, who have one foot within the camp of labour.

Secondly, Kay Beauchamp writes; “It is quite possible that the government in Ghana had earlier over-reached itself in raising living standards in *advance* of economic development. In the four years 1957-61, wages had increased 49% of which 22% was granted by decree in 1960 alone. What other independent African State has a better record?”

This paragraph can only be intended to mean that workers living standards have risen by almost 50% in these five? years. But this is quite untrue. Money wages have certainly risen, although I don't know where Kay Beauchamp obtained her 49% from. But what about *real* wages? Have prices remained stationary during this period? Most certainly not.

The Quarterly Digest of Statistics (Ghana, March 1962): states that monthly earnings for male Africans in establishments employing more than 10 persons rose between December 1956 and September 1961 by 24%. But the cost of living (retail prices in Accra) rose by 25% between June 1954 and December 1961. (The base year in this second table is different, but the rise prior to 1957 was only 7%).

From this we might conclude that, for these workers, *real* wages, living standards, improved somewhat from 1957 to 1961. But two other factors cannot be ignored. The cost of living index, as British workers well know, is weighted by bourgeois governments so as greatly to under-estimate rises in the cost of living for ordinary workers. And the compulsory savings made in the 1961 budget have in practice reduced earnings without this being reflected in the official figures.

If we take these factors into account I believe it could be shown that the living standards of Ghanaian workers have *fallen* during these five years. At all events Kay Beauchamp's 49% increase can be seen to be a complete fiction.

In agriculture, where the main crop remains cocoa, and which employs the bulk of the population, living standards of the small peasant farmers and labourers have fallen sharply in the last two or three years, with the fall in world cocoa prices and the running down of the Cocoa Marketing Board's reserves.

Thirdly, Kay Beauchamp pretends not to understand what I mean by "dual policy" towards the national bourgeoisie. "What does this mean?" she writes. "Do we advocate the overthrow of Nkrumah and also full support for him in the same breath? To me this is childish nonsense."

Yes, indeed it is; but a child could not read that into what I wrote! A dual policy means, quite simply, that full support is given to all of Nkrumah's actions which are anti-imperialist, and that all links with imperialism and attacks upon the people are opposed. The struggle against imperialism can only be strengthened by *opposing* those of his actions which are negative, while *at the same time*, we give support to *all* that is positive in his Government's policies.

26.9.62.

(Rejected for publication in *World News*)

5

Jack Woddis argues that we should "turn to the new world of *Asia and Africa*" as "an alternative to the Common Market" (*World News* 10.11.62). But this alternative is, apparently, to be achieved within the framework of imperialism, of the world capitalist system. For there is no mention in his article of the need to break the political power of monopoly capital in Britain *before* we "safeguard" and "expand . . . our trade with the Commonwealth countries." And we can agree, I think, that so long as the monopolists retain state power they will continue to pursue an imperialist and neo-colonialist policy.

"It is not just a question of safeguarding our existing trade with the Commonwealth," writes Jack Woddis. But this *existing trade* is inseparably bound up with the *existing neo-colonial relationship* between Britain and her former colonies. The Commonwealth is a creation of British Imperialism. The "extensive trading relations" which now exist between Britain and the Commonwealth, and which Jack Woddis sees the Common Market as threatening, are part and parcel of just that "old system of colonial exploitation" which President Nkrumah is "striving to liquidate from our African Continent" (read the quotation inset into Jack Woddis's article).

It is true that Jack Woddis goes on to argue that "in expanding our trade with the Commonwealth we must also change its structure," away from the old imperialist pattern. But how on earth can this be achieved so long as British imperialism continues to exist? This system of exploitation of the British people, and all the peoples of the Commonwealth will remain until the working-class win state power in Britain, and smash the old political and economic framework.

As Michael McCreery himself acknowledges, Jack Woddis made it clear that he did not accept the present structure of trade with the Commonwealth countries. To suggest that any expansion of trade with the newly-independent Commonwealth countries must await the breaking of the power of monopoly capital in Britain indicates a dogmatic approach that takes no account of the realities of the world today—Editor.

1.12.62.

PART III

THE STRUGGLE IN BRITAIN

The anti-monopoly campaign outlined in the document drafted by the Economic Committee, and approved by the Executive Committee (Marxism Today: July) raised a number of important questions. It is very necessary that a plan of attack be drawn up to mobilise all sections of the people against monopoly capital. But I cannot agree with the way it has been done in this document.

The aim was to outline a series of measures, which would, if achieved, "strengthen the hand of the people and temporarily weaken to some extent the power of the monopolies." These measures would lie short of socialism, in the sense that if they were achieved the "state monopoly capitalist framework" would still remain intact; and it is this "which the British people must destroy if they are to control their destiny."

In other words, the documents aimed at outlining a programme of *democratic* advance against monopoly capital, for a stage of the struggle *prior* to the final overthrow of monopoly capital. To draw up such a programme of democratic demands is not, of course, to argue that all of them can and will be achieved so long as monopoly capital retains state power; only that their achievement is *compatible with* the continued existence of state monopoly capitalism.

But before examining these demands in detail, one or two general comments. Firstly, we should be cautious about the extent to which democratic advance can "weaken the power of the monopolies," even "temporarily," so long as the framework of state monopoly capitalism remains intact. The struggle for democratic rights in Western Europe since the Second World War has taught us this lesson.

For example, the Labour victory in the 1945 General Election in Britain was followed by substantial measures of nationalisation, improved social services, and some anti-monopoly legislation. But the political *power* of the monopolists was not weakened to any important extent. The monopolists *as a class*, retained their hold over the machinery of state and were thus able to gear the policies of the nationalized industries to suit their own needs. The home and foreign policy of the Labour government faithfully represented the interests of monopoly capital—wage-freeze at home, colonial wars abroad to maintain British imperial interests.

Whatever may be the prospects for winning concessions from the capitalists in the 1960's we should not equate such concessions with the weakening of monopoly capital's political power.

There are also, I believe, dangers in presenting the democratic struggle as one directed against "the monopolies." The main enemy of the British people is not "the monopolies," but state monopoly capitalism. If we focus attention upon "the monopolies" (those industrial and financial giants who dominate economic life in Britain) then inevitably we tend to see the struggle in *economic* terms—restriction of the *economic* power of the monopolists as the

main immediate task. And from this position we can all too easily slide into regarding the removal of the monopolies from the *economic* scene, via nationalisation, as the way in which the working-class will transfer *political power* into its own hands.

Smash the Capitalist State to win Power

Is this weakness not revealed in the following statement in the document (page 202)? "In the course of the anti-monopoly struggle we must win the mass of the people to an understanding that the power of the monopolies can only be completely broken by an advance to public ownership." But Parliamentary majorities, and economic measures, in themselves, will never break the power of monopoly capital. To achieve this the capitalist state, with the armed forces at its centre, must be broken up, smashed.

But to return to the "anti-monopoly" programme. There is in the general analysis preceding the detailed proposals, an apparently small, but, I believe, fundamental error. I quote from page 199. "Even today liberal and conservative economic literature often describes the position as if it were a case of monopolies being an exceptional, though dangerous feature in an otherwise healthy system; hence their various proposals to increase competition and make the system work 'normally.' . . . We believe that on the contrary, *it is the monopolies which are the basis of the capitalist system in its present stage* (my emphasis, M.McC.) and which, to a large extent, determine its development."

To describe the monopolies as the *basis* of the capitalist system in its present stage is to argue that Lenin's analysis in *Imperialism, the highest stage of capitalism*, is out of date. He wrote, "As we have seen, the most deep-rooted economic foundation of imperialism is monopoly. This is capitalist monopoly, i.e., *monopoly which has grown out of capitalism and exists in the general environment of capitalism* (my emphasis, M.McC.) and remains in permanent and insoluble contradiction to that general environment."

This statement holds good today. Monopoly capital is still only a fraction of total capital in Britain today. Monopoly still exists in the general environment of capitalism. But competition inevitably creates monopoly. Lop off one of the Hydra's heads and another will soon grow to take its place. Monopoly is the product of the capitalist system. Monopolies crown and dominate the British economy today, but they do not form its base.

Why is this error vital? *Because if monopolies are the basis of the capitalist system then to break them up is to break up capitalism itself.*

However, breaking up the monopolies, far from being a step in the direction of socialism, is only a restoration of competition. Lenin quoted Hilferding with approval. "It is not the business of the proletariat to contrast the more progressive capitalist policy with that of the now bygone era of free trade and of hostility towards the state. The reply of the proletariat to the economic policy of finance capital, to imperialism cannot be free trade, but socialism. The aim of proletarian policy cannot now be the ideal of restoring free competition—which has now become a reactionary ideal—but

the complete abolition of competition by the vanquishment of capitalism." Lenin then says "Kautsky departed from Marxism by advocating what is, in the period of finance-capital, 'a reactionary ideal,' 'peaceful democracy,' 'the mere operation of economic factors,' for *objectively* this ideal *drags us back from monopoly capitalism to the non-monopolist stage, and is a reformist swindle*" (my emphasis, M.McC).

A reactionary document

The Economic Committee's document, having slated "liberal and conservative economic literature" for aiming at "increasing competition," then proceeds to advance proposals which have the very same aim!

A number of "main ideas" are listed, and then follow the practical proposals which embody these ideas. First and foremost is the idea that we must "expose the monopolies . . . to deny the people knowledge of the facts concerning the monopolies is to deny their right to democratic discussion of national economic policy." Most of the proposals embody this idea. The present Monopolies Commission is to be enlarged and charged with collecting and publishing "the fullest information about all large firms," their costs of production, price policies and profit margins, and their cartel agreements with each other, both nationally and internationally. A Select Committee on monopolies is to be set up by the House of Commons, in order to "review all aspects of the question of monopolies, to issue regular reports and to work out practical measures to deal with monopolies."

Four further proposals are really means of assisting the Monopolies Commission and the Select Committee to produce the facts about monopoly. Firstly, a National Consumers Council is to be set up to investigate retail prices, quality of consumer goods and profits earned by the firms producing them, with the "power to make representations for legislation to the Select Committee on Monopolies." Secondly, a National Housing Committee to do much the same for housing. Thirdly, publication of full details of all public orders placed with private firms, particularly the huge contracts offered by the Ministry of Defence and the nationalised industries. Fourthly, publication of costs and profit margins for all goods sold to the farmers by the monopolies (e.g. machinery, fertilisers, feeding-stuffs).

All these proposals are most useful. We can hazard a guess that they will reveal that the monopolies are more efficient and earn higher rates of profit, in general than competitive capital. But then, the question arises, along what lines do we intend "to work out practical measures to deal with the monopolies?" Are we to aim at restricting, containing, and breaking-up these *more efficient* firms, at returning to competition, or are we to aim at taking them over in the interests of the people, at socialism? Do we present a reactionary or a progressive alternative to monopoly?

The next "main idea" which the document outlines, and the practical proposals in which it is embodied, give us the answer. The idea is this. "Put obstacles in the way of the further growth of monopoly. The continued further concentration of economic power and with it political and social power, is a menace to the people, and negates the genuine advances towards a more democratic form of society that the people have won by their struggles." Now what should be deduced from the continued concentration of economic and political power is the ever more pressing need for the people to win this power from the monopolists. But in this document we are given the "aim for the immediate future," of putting "obstacles in the way of the further growth of monopoly."

Fight for Socialism not for More Competition

If this idea is embodied in any concrete proposals they must aim at putting back, or at least stopping the economic clock. And, sure enough, three proposals which follow attempt just this. Firstly, "No take-over bid, merger, or amalgamation should be concluded without first submitting full details to the Monopolies Commission, *which should in general not permit any take-overs if they lead in the direction of monopoly*" (my italics, M.McC.)

But *all* mergers lead "in the direction of monopoly," and *nearly all* mergers take place under the pressure of competition, national or international, actual or threatened, so as to increase the efficiency and competitive power of the merged firms. Economies of scale can be achieved in a variety of ways. In general, productivity per worker rises.

So with this proposal we take our stand *against* the more efficient firm and *for* the less efficient firm. It is a reactionary proposal, and, not only that, ineffectual. For, so long as the state monopoly capitalist framework remains intact, nothing that the working-class can say or do will check the inevitable development of capitalism "in the direction of monopoly."

Of course, we oppose all adverse consequences for working people which result from such mergers. And this leads to the document's second reactionary proposal. "The Trade Union Movement should intervene and resist all take-over bids and mergers which threaten closures or redundancy among the workers." But most mergers "threaten redundancy." So again we are called upon to resist mergers in general, and again, we can resist until we are blue in the face, but we will not be able to check them.

Presented in this way the fight against redundancy is being sacrificed to the vain fight for competition. For what *can* be attempted, with some prospect of success, even under capitalism, is direct resistance to the unemployment likely to result from the merger. The Labour movement could unite the great majority of the British people in a campaign for full pay for all those declared redundant until alternative employment has been found for them (with no loss of pay),

either by their own firm, or by the state. The strong sympathy which has been evoked, even among the middle classes, in support of recent strikes for the *right to work* is evidence that such a campaign could bring pressure to bear upon the monopolists, and compel them to take action, probably via the state.

The third proposal to embody this "reactionary ideal" reads: "Where technically feasible monopolies, or near-monopolies, should be broken up. This could apply to some newspaper chains, the system of 'tied' businesses in public houses, or filling stations and chain stores." It is "technically feasible" to break up many combines. The question is, will the net result be a gain or loss, in efficiency? For example, it is technically feasible to break up Woolworth's and Marks and Spencers, and Sainsbury's and Boots the Chemist. But who would gain? Not the working-class housewife, who saves when she buys at these stores rather than from the small shopkeeper. For their prices are often lower. And why? Because the chain stores are more efficient. They can undercut the small shopkeeper and still make a large profit.

But if the chain stores are broken up, these economies of scale will be lost. This is not the way forward. The progressive alternative is to run them in the interests of the people, and not for the greater profit of Messrs. Sainsbury and Spencer. Socialism is the progressive alternative to the chain stores, not a return to more competition, out of which monopoly would inevitably grow once again.

There are only two further proposals for action in this "anti-monopoly" campaign. The need to strengthen the co-operative movement is stressed. And the abolition of retail price maintenance is proposed. Both are positive, but neither involves direct action against monopoly capital. (One might note, in passing, that the abolition of retail price maintenance would strengthen the chain stores at the expense of the small shopkeeper, who would be undercut even more frequently than at present. How has it slipped into this programme?)

Need for a Comprehensive Democratic Programme

Where direct action against monopoly capital is proposed in this document, the general line is clear. It is for the maintenance and restoration of competition. This backward-looking programme represents the wishful thinking of the petty-bourgeoisie and the competitive capitalists, not the interests of the working class. There is no mention of the need to maintain and advance real wages; no mention of the need to win economic concessions from the state in the form of improved social services; no mention of the need to reform the constitution (abolition of monarchy and Lords, proportional representation etc.); no mention of the need to maintain and advance democratic rights of assembly, organisation and free speech. But all these, and more, should be included in any comprehensive programme of political and economic advance against state monopoly capital.

Such a comprehensive democratic programme which should be presented alongside, but distinct from, our socialist programme, would draw the working class into action because its aims are in their interests. And not theirs alone. As the working class moved into action wider and wider sections of the petty-bourgeoisie, the middle classes, even the competitive capitalists, could be drawn into the struggle alongside the workers. The small shopkeeper would gain more from an advance in the real wages of his customers than he would from the break-up of the chain stores. The doctor would gain more from an improved Health Service than he would from a restoration of private practice. The small and medium sized firms would gain more from alliance with the working class than they would from an attempt to join with monopoly capital in intensifying exploitation of the people, for monopoly will squeeze competitive capital before it challenges the more powerful Labour movement.

In short, in the course of the struggle against state monopoly capital, other classes can be won to *abandon* those of their class aims which are reactionary and to throw in their lot with the working class. In this way the monopolists can be isolated prior to their final overthrow. For it becomes clearer each year that what stands in the way of realising even these democratic aims is the political power of monopoly-capital—their hold over the machinery of state—and that until this political power is smashed and the Dictatorship of the Proletariat established, *no* democratic aim is secure.

Demand an end of exploitation

But democratic aims alone are not sufficient to mobilise the working-class. The demand for Socialism must remain the spearhead of the attack upon monopoly-capital. And the Economic Committee's document does not correctly relate the two. It envisages the "formulation of *demands for immediate action* against the monopolies, i.e. democratic aims, as "an essential step in helping broader masses of working people towards an understanding of the need for and possibility of dealing finally with monopoly capitalism, by overthrowing it and building a socialist system in its place." The implication is that to present demands, here and now, for the socialist alternative, is premature, because the mass of the working class are not yet ready, have not yet sufficient "understanding" to grasp the need for socialism, and that the fight for democratic aims will develop that understanding.

This is nonsense. Firstly, the fight for democratic aims even when these are correctly formulated, does not *in itself* develop understanding of the socialist alternative. Secondly, the "demands for immediate action" against monopoly capital should always include socialist as well as democratic aims. We all live *in the present*, and if present demands are to be only democratic, and socialist demands postponed to the future, in effect we cease to fight for Socialism. A Communist Party must always include socialist,

along with democratic, demands, at every stage in the struggle against finance-capital. If it does not, no other party will.

For what is socialism? What are socialist aims? The ending of exploitation, of unearned income, of rent interest and profit forced from working people by the capitalist class; and planned production for use, to meet the needs of the people, which will mean *security* for working people, an end to hardship, unemployment and war. These aims, these ideals, represent the deepest needs and aspirations of the working-class and all working people. Are they beyond the understanding of workers today? It is not the socialist ideals which are blurred and confused, *but the way in which these ideals are to be won*; it is here that the confusion lies! Communists have a heavy responsibility to explain to the working-class, in face of all the quack nostrums that are being peddled to them by muddle-heads and crooks alike, just *how* socialism can be won.

8.10.62.

(Published in part in *Marxism Today*, December 1962)