

JUL 17 1962

CND TURNS TO UNIONS

EDITORIAL

The Empty Horizon

DEPRESSED by the news from Wall Street, the world's stock exchanges drift downwards. The capitalist economic 'experts' scan the commercial horizon for signs of new expansionary forces, but without success.

The men who run the giant monopoly enterprises wield tremendous power. Their decisions determine the utilisation of huge sections of the productive machine and vast armies of labour. But their system remains outside their control.

Over the past seventeen years, millions of pounds, dollars, francs and marks have been invested in expanding industrial equipment. The purpose of this expenditure was not to provide for the increased living standards of the population or to lighten the burden of labour, but to produce more profit.

The effect of this is now being seen in the tendency of the rate of profit to fall and the growing gap between the capacity of industry to produce and the extent to which this capacity is utilised.

Of the firms replying to the questionnaire of the Federation of British Industries, 64 per cent were working below capacity in the period February to May. 48 per cent said they would be spending less in the next twelve months than in the past year on new buildings, and 43 per cent expected to spend less on plant and machinery.

These trends re-emphasize the urgency of the task of preparing the working class movement for a new stage in the class struggle. Those who base their policy on the conception that 'contemporary' capitalism can continue to expand indefinitely and without sharpening conflict can only lead the Labour movement to disaster.

Capitalism throughout the world must press down the standard of living of the wage earners in order to maintain the flow of its life-blood—profit. The illusion that the working-class can peacefully coexist with the employing class in the idyllic surroundings of the Welfare State will be rudely shattered.

The trades union struggles in the next period cannot be restricted merely to questions of wages and conditions. They call into question the whole future of the profit system itself.

The current economic developments show that the demand for the nationalisation of the basic industries and their control by the working class is the key to the future of the trade union movement.

NUR leaders' sham fight

By ALAN WEST, our Labour Correspondent

THE leaders of the 320,000-strong National Union of Railwaymen are to call mass protest meetings throughout the country against the railway closure proposals of the government, it was announced this week.

They will seek support for the campaign in the Labour Party, trades councils and the TUC. These sections of the Labour movement will be asked to mobilise 'public opinion' against the closure proposals.

The report stresses that social needs should be considered in determining the future of the railways and points out that 3,600 route-miles of railway—19 per cent of the total—have already been closed.

Closures were blamed on 'the deliberate policy of the Tory government to break up the nationalised undertakings'.

FORESIGHT?

If the leaders of the NUR have sufficient foresight to understand that closures are part of Tory policies, one may wonder why they are then going to such lengths to plead with them to change their minds.

The report has been given banner headlines in the press which clearly welcomes this report, recognising it as a hollow and meaningless attempt to cover up the NUR leaders' refusal to fight for better wages and conditions.

All railmen, of course, are deeply concerned at the thought of the wholesale redundancy which will soon hit them, but they realise that appeals to Dr Beeching and his



Beeching: profits whatever the cost

Tory backers, together with spurious calls to the TUC and the Labour Party to galvanise 'public opinion' will achieve nothing at all.

Unemployment does not worry Beeching and company; their task is to make the railways profitable, whatever the human cost.

THIS REPORT MUST BE REVEALED AS A SHAM, AND THE RANK AND FILE OF ALL THE RAILWAY UNIONS MUST IMMEDIATELY PREPARE, WITH THE SUPPORT OF THE WHOLE LABOUR MOVEMENT, TO FIGHT INDUSTRIALLY AND POLITICALLY FOR A WAGE INCREASE AND AGAINST THE EVER-GROWING THREAT OF MASS UNEMPLOYMENT.

The big dipper

Newsletter Reporter

HARD on the heels of the vicious witch-hunt, proscriptions and threatened expulsions, came the Festival of Labour last week-end, an attempt to remove the 'cloth-cap' (i.e. working class) image of the Labour Party and to show the rank-and-file what a jolly good crowd the leaders are.

They can throw balls at coconuts with the same unerring aim as they heap slander and abuse on left-wingers; they can reveal their braces as well as the iron fist.

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But whatever the reasons for the Festival, one thing is commonly agreed upon—it was an expensive and resounding flop.

The 'dynamic' Mr. Merlyn Rees, the Festival organiser—perhaps his Christian name appealed to the NEC—was completely lacking in imagination and ideas.

£20,000 was spent alone on the floats which drove through the London streets before assembling in Battersea Park. These floats were arranged by regional councils of the Party and affiliated trades unions. Despite the intention to get away from the cloth cap, most of them were based solidly on the tired old clichés of people holding up girders or cementing bricks or huge bridges spanning industry and leisure.

After the floats came the speeches, including a brief appearance by the incredible 'Labour' MP, Mr. Tam Dayell, victor of West Lothian, old Etonian, ex-leader of the Conservative society at his university.

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Harold Wilson, showing just how hard and fast the centrists are running, stressed the fact that the party would get rid of all troublesome elements (the trees behind him were thick with policemen to back him up in this) and that the Labour government would be returned under the leadership of Hugh Gaitskell.

Mr. Gaitskell asked us to fight against the incompetent Tories and then, to put the finish on a quite disastrous Sunday, Miss Alice Bacon led the singing of the 'Red Flag'. She, like the whole Festival, was sadly off-key.

A call for Industrial action

By Our Political Correspondent

THE decisions of last week-end's national conference of the Campaign for Nuclear Disarmament represent a major step forward. They showed an awareness amongst the delegates at St. Pancras Town Hall of the need to turn the campaign towards the Labour movement.

The conference threw out the suggestion that CND should stand independent candidates in parliamentary elections. As THE NEWSLETTER has argued since the plan was put forward, this would separate the campaign from the working class and would weaken the fight in the Labour Party against the Gaitskell leadership.

Even more significant was the decision to campaign among trades unionists for backing for the fight against the bomb.

The successful resolution said: 'We regard this programme as part of a campaign to ensure both token and direct industrial action, including the blacking of work, on the issue of disarmament'.

Since 1958

If this resolution is put into practice it will make a radical difference to the character of CND. As this paper has urged since 1958, the fight against the preparation for nuclear war must be linked with the fight against capitalism.

Taking up the decision of plumbers and other building workers in Scotland to 'black' all work on rocket sites, THE NEWSLETTER called in 1958 for action on these lines to be organised by the unions.

Despite opposition from pacifists, Stalinists and others, we persisted in raising these demands on the marches and demonstrations held in the past five years.

Now we welcome the growing understanding in CND of the relation between the working class struggle and the fight for peace.

The present preparations for Britain's entry into the Common Market are the prelude to sharp conflicts between capital and labour.

The various European groups of monopolies jockey for position as competition gets fiercer in export markets and profits are harder to make.

Rivalry

These economic developments are directly related to the H-bomb. The Americans fear to lose control of the Western 'deterrent' since this would mean a strengthening of their economic rivals in Europe.

They want to keep the military leadership of the Western alliance in the hands of US imperialism so that they can decide the course of diplomatic relations with the Soviet countries.

Capitalist economic rivalry, as well as the struggle against the USSR, make the H-bomb a part of the profit system.

The future of the fight for peace is intimately bound up with the



Foot: discredited

coming industrial and political battles between the monopolies and the working class. Defeat for the trades unions in the period ahead will mean a strengthening of every reactionary trend in capitalist society, including the trend towards nuclear attack against the USSR.

It is the same Tory government which manufactures the H-bomb that is preparing attacks on working-class living standards.

This government is discredited and unpopular in many sections of the community, but its defeat requires the organisation of a new leadership for the Labour movement.

Gaitskell and Brown, thinly disguised Tories themselves (Brown has publicly stated that on the question of nuclear weapons he is nearer to the Tory view than the socialist one), cannot beat Macmillan and his H-bomb.

Nationalization

CND, which has attracted such widespread support among young people in particular, must help to develop this movement. It must relate its fight to the trades unions' battles on pay and conditions.

It must tie in the H-bomb campaign with the demand for nationalisation of the basic industries.

It must view the witch-hunt in the Labour Party and the Young Socialists, which is directed against CND supporters, in connection with the press attacks on militants in industry.

1962 could see a new, powerful growth in the importance and influence of CND if the decisions of last week-end are implemented by an all-out drive into the ranks of the Labour movement, in spite of the retreat in the face of the attacks by the right wing of fake left-wingers like Mr Michael Foot who are becoming more and more discredited in the eyes of the class they are supposed to represent.

In this week's issue:

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Russell P.3

'On the verge of class struggles, the like of which the world has never seen'

THE draft resolution on British Perspectives was moved at the Fourth Annual Conference of the Socialist Labour League by the National Secretary, Gerry Healy.

'This report on the British situation is the most important since the war,' he said. 'We are on the threshold of the end of the stage of capitalist development in which capitalism has been able to stabilise itself through armaments expenditure.'

'Capitalism is now turning to an offensive against the working class. The decline in the rate of profit is the predominant trend.'

Developments in British capitalism must be taken alongside conditions in the USA, the secretary said. The buying up of the majority of the Ford's shares in this country by the parent company was a move to influence sections of the British ruling class and make them accept the Common Market.

This would enable the US to close down plants in Europe or America where necessary. American capitalists needed to tidy up Europe and push Britain out of Commonwealth preference so that they themselves could go into the Commonwealth.

'What is projected in Washington is a global onslaught on the working class. They will attempt to pit different sections of the working class against each other.'

'We are on the verge of a period of class struggles the like of which the world has never seen. It could lead to regimes even more brutal than the fascist regimes of the 30s.'

Gerry Healy said that this conflict was the background to the pay pause, which he called a mild form of Tory effort to discipline the working class.

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Speaking of the crisis in the middle class, he said that the swing to the Liberal Party was not a move to the Left. On the contrary, it could lead to more totalitarian ideas and should be seen as part of the monopolies' process of conditioning the middle class to go to war on the working class at a later stage.

The retreat of the trades union leaders benefited the Tories and the monopolies. Their participation in the National Economic Development Council showed that they were trying to establish themselves as part of the state.

'As the conflict between the monopolies grows, capital investment becomes very important. Every strike means that the rate of profit falls.'

The present drive of the right-wing Labour leaders was to come to an agreement with the monopolies, Gerry Healy went on. Following on Gaitskell's attempt



Bob Shaw

SLL Conference discusses The tasks for British Marxists

to remove Clause Four from the Labour Party constitution came his statement to ICI on profit-sharing.

Gaitskell gave support to a scheme that was used by the most anti-trades union employers. His latest statement on the new towns also coincides with the needs of the monopolies. Workers sent to new towns would be at the mercy of the employers.

Gaitskell's campaign against nationalization, his consultations with the press barons at the time of the Mirror-Odhams take-over and his reassurance to the ICI directors had led directly to the Cunard-Eagle-BOAC deal.

The directors of these two combines needed an understanding with the Labour leaders that there would be no interference into their transaction by a future Labour government.

The national secretary then turned to the crisis inside the Labour Party itself. The witch-hunt was a further sign of the willingness of the Right wing to conform to the needs of monopoly capitalism.

The present attack centred round the fight to turn CND towards the Labour movement. Pacifists who for years had been allowed to stay inside the party would now find themselves under attack. If CND were proscribed it would lead to a large-scale witch-hunting of its members.

Many Left MPs would have to make a choice—to be expelled or to knuckle under to the Right wing.

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The Labour Party witch-hunt was part of a general plan that included the Radcliffe Report, the attack on the ETU militants and the screening of applicants for industrial jobs.

'The Right wing is determined to have it out with all on the Left. We are seeing now the effects of 'Tribune's' lack of leadership and the betrayal of the Scarborough decisions by the centrists.'

'This is a period when Marxist leadership must stand out and have faith in the working class. We have no friends except amongst millions of working class men and women who have no voice.'

'The new period of capitalism is going to open up new opportunities to build the revolutionary party. Our work in the next period will be to fight against Gaitskell; to fight now for socialist policies means to fight against all bans and proscriptions.'

'You cannot select certain individuals or organizations to defend, as 'Tribune' and the 'Daily Worker' have done. Their running away is part of the crisis of the middle class.'

Gerry Healy, dealing with the

struggle against war, said that it was inseparable from defence of the Soviet Union. Marxists must organize the working class to defend the USSR against world imperialism.

In the past year, members of the Socialist Labour League had waged a determined fight against pacifists and revisionists who tried to confuse the working class with the idea that the Soviet Union is the same as imperialist America.

Summing up the tasks that faced the League in the crucial period we were now entering, he said:



Harry Finch

'We must develop into a mass movement. We are not overawed by the monopolies. We are wedded to the working class of the world, and we are proud of the record of the British Labour movement.'

A Scottish delegate said that the wage pause, fear of unemployment and the witch-hunt meant that the working class urgently needed to solve its problems.

'The working class is viewing more critically the existing leadership and is looking for an alternative. The Scottish TUC's policy of pressuring the Tories to direct industry to Scotland, in spite of

their deliberate policy of unemployment, shows that the CP and the social democrats have abandoned completely the class struggle.'

He declared that the Stalinists in the ETU had rejected the SLL's plan for a rank-and-file campaign. As a result the ranks had turned to Byrne. In Scotland, similarly, the CP had crushed the desire of the Fife miners to fight.

'There will be no automatic swing to the Left. We have to intervene to develop the working class and unleash their power. The 'No' vote in the Confed ballot was not against the strike but a vote of no-confidence in the present leadership.'

Bob Shaw said that the attacks by the monopolies on the working class will precipitate major class struggles. The first tremors have already been felt in the BMC factory in Scotland.

The car bosses are planning to cut wages nationally and they have begun by paying workers at their new Scottish works considerably below the rates existing in the Midlands. This was a deliberate move to set one section of the car workers against another.

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'We must train a leadership in industry. The CP has smashed workers' struggles in the mines by walking out and letting the mines be closed down. We must intervene.'

Turning to the witch-hunt in the Labour Party, Bob Shaw spoke of the vicious attacks being made on the youth movement. The Glasgow Federation had been closed and Transport House was sending people to investigate branches and members.

Unilateralists were being refused parliamentary seats. It was vital that a fight be staged against the Right wing. We must lead that fight, he said, the revisionists, such as the Pabloites, were incapable of doing so and would run away from the struggle.

A delegate from Merseyside spoke of the struggle on the docks to preserve the unity of port-workers against the combined attacks on the employers and TGWU-appointed officials, who had tried to brand the militant members of the 'Blue' Union as non-unionists.

He said that the 'Blue' Union had demanded an increase in wages that was £4 a week more than was being asked by the TGWU.

The 'Blue' dockers had appealed over the heads of the officials to the solidarity of rank-and-file TGWU members. The CP had lined up with the 'White' Union officials and had told the members



Gerry Healy

not to work with the 'Blue'.

They had received little support and the result had been a resounding defeat for the employers and their plans.

Harry Finch, Birmingham engineering worker, revealed the latest plans of the employers in the motor car industry to smash the workers' militancy. In one large Midlands plant, he said, the management had organized a team of blacklegs to break up a strike that had spread to most sections of the works.

While shop stewards had been refused permission to hold works meetings, the blacklegs had been given canteen facilities during working hours to appeal to the men to go back to work.

He, too, was highly critical of Communist Party members who rely on right-wing officials to try and break down the militancy of workers. He said that the CP was running away before the monopolies.

Summing up the discussion, Gerry Healy said: 'We must have an understanding of the role of Marxists in the Labour movement. We cannot take the problems of the Socialist Labour League in isolation from the Labour movement.'

Capitalism can no longer work because investment is exceeding the rate of profit. This has spurred on the growth of monopolies which dominate the state. These monopolies, through the Common Market, for example, are planning a showdown with the working class.

'The postponement of the crisis after the war has not solved any problems. The driving force is the struggle between Capital and Labour.'

'Our task is not to start wages movements. They already exist. We are concerned with the problem of power.'

Phoney Peace in Laos

By MICHAEL BANDA

THE agreement of the three princes of Laos to set up a coalition government and end the eight-year-old war might be welcomed in Washington and Moscow but it will fool no one in Laos or Viet Nam.

The agreement does not commit any of the participants to a definite policy—not even to the nebulous 'neutralism' of Prince Souvanna.

To Prince Souphanouvong the agreement can only be an embarrassment at the worst or a brief interlude in the war at the best.

Prince Boun Oum, who was pushed by the US government into the negotiations by the threat of the withdrawal of US aid, is determined to spike the

neutralist guns at the earliest opportunity.

He had insisted that all matters concerning defence and internal affairs would have to receive the unanimous assent of all three princes.

The last time a coalition government was set up, Prince Souphanouvong was in charge of administering US aid to Laos and most of it went to the Pathet Lao. To end this 'anomaly' the CIA instigated the

Boun Oum-General Nosavan coup of 1958.

This time it is indeed doubtful whether any elections will be held. The victory of Pathet Lao in a general election is a foregone conclusion. This is why the US marines have not been withdrawn from Siam and why the military build-up continues.

In the meantime, the war in South Viet Nam continues with unabated ferocity. According to reports, the Viet Nam government has not sent a train out after dark along the main railway for at least two months and fierce guerrilla war goes on all round Saigon.

The 'peace' in Laos means war in Viet Nam.

FLN — prisoners of de Gaulle

Evian agreement delights the general

by Tom Kemp

AS the date of the referendum in Algeria draws near it becomes abundantly clear that the FLN leaders are prisoners of the agreement concluded with the de Gaulle government at Evian. The question posed in the referendum expresses this. Algerians are asked to say whether they wish Algeria 'to become an independent state co-operating with

France under the conditions defined' by the Evian agreement.

Some speak as though the terms of this agreement can somehow be evaded by the FLN; that it was, in any case, merely a tactical move intended to prepare for 'full' independence and disentanglement from imperialism.

But this is not the case. The FLN leaders not only cannot evade the terms of the agreement, which effectively prevents the carrying forward of an agrarian revolution and the expropriation of French capital, they do not want to.

The agreement, from the French side, represented a desire to retain the main stake of French capital in Algeria while providing conditions for the retention of the new, independent state within the French sphere of influence.

DEAR TO DE GAULLE

At the same time, the release of French military forces enables more attention to be given to European affairs and brings nearer the goal of the independent nuclear striking force that is so dear to de Gaulle.

French capitalists, for the most part, regard the preparation for the more intensive competition within the Common Market to be more important than carrying on a profitless war in Algeria.

The stubborn resistance of the OAS, representing those sections of the European population and of French capital who stood to lose from independence,

has strengthened the French government's bargaining position in relation to the FLN.

The extensive destruction already carried out, the dislocation of economic life and the large-scale exodus of Europeans faces 'independent' Algeria, after the referendum, with a calamitous situation. The new FLN government will find itself taking over an economy on the brink of ruin.

It will be in urgent need not only of capital and technicians but of emergency supplies to cope with massive unemployment, food shortage and the results of social breakdown. In the terms of the Evian agreement it is primarily to France that it will have to look for assistance.

The government will be in the most unfavourable situation for interpreting these terms along the lines suggested by left-wing apologists for the nationalists.

No wonder that de Gaulle expresses satisfaction with the Evian agreement. He claims the agreement to be the result of events which showed how essential French aid was for the future of Algeria.

ONE VOICE

On this question de Gaulle and Ben Khedda speak with a single voice.

Some say that the Algerian leaders can turn to other countries for aid, even to the Soviet bloc as Cuba has done, and provide a basis for carrying out agrarian changes and even a social revolution.

It is true that Ben Khedda may be able to obtain aid from American or European capitalism; he will be able to make great play with the threat of communism to do this.

To find in an adequate supply of Soviet aid the basis for an economically independent existence is out of the question. It would mean a break with France and with the capitalist world market which Ben Khedda neither wants nor could afford...

The FLN is a coalition of different social forces and poli-

● back page col. one

Spanish CP paves way for defeat

A front-page article in the 'Daily Worker' of Friday, June 15, clearly indicates the criminal role of the Spanish Communist Party in the present crisis facing dictator Franco.

'The Spanish Communist Party has called on all opposition forces in Spain to form a broad democratic front to end the fascist dictatorship of General Franco,' the article says.

'The Party said that it agreed with the five points laid down by the Spanish Opposition parties meeting in Munich last week, but opposed Spain joining the Common Market.

'Foremost among the points was that Spain should have the possibility of establishing really representative and democratic institutions which would guarantee a Government based on the consent of the governed.

'Whatever our differences over the Common Market question may be with those who met in Munich,' the statement goes on, 'our views coincide with theirs.

RIGHT AND LEFT

'These five conditions could form the fundamental basis for a political agreement among the forces of the Opposition from Right to Left.

'The Franco Government has reacted with typical brutality by deporting or exiling those who took part in the Munich meeting, using the same repressive methods against the bourgeois opposition as it does against the working class.'

The article leaves the reader to draw his own conclusions from the statement. There can be only one—that the Spanish Communist Party will fight alongside monarchists and other parties of the Right for the return of a bourgeois democratic republic.

The CP will strive might and main to retain the dominance of capital over the Spanish Labour movement.

The wheel is beginning to turn full circle. Cruel and bitter defeats for the Spanish workers can only be halted by their own action—by independent working class action that will kill not just the rotten growth of fascism but its capitalist roots as well and establish workers' power in Spain.

Algerian CP toadies to FLN

THE ALGERIAN CP has never been famed for its militancy in the Algerian national struggle. For years it opposed the independence struggle with its spurious theory (derived from Thorez) that 'Algeria was a nation in the process of formation', that it had a personality but was not a 'nation'.

Then came the 1954 uprising and overnight their illusions were dispersed by French bullets. Making a belated entry into the ANL army they liquidated their organization. The few CP-led Maquis were smashed by the French army or isolated by the FLN.

By the time the war ended the CP was reduced to an impotent caricature.

Then it welcomed with reservation the Evian agreement and lost no time in jumping on the 'independence' bandwagon once the cease-fire came into operation.

In exchange for its uncritical support, the FLN has lifted its 'anti-communist measures' and

allowed the CP to take part in the political life of the country.

In recognition of this privilege, the political bureau of the ACP has issued a recent statement which once again proves its complete subordination to the bourgeois FLN and the GPRA. It calls upon its members to prepare 'through the broadest possible democratic spirit and national discipline (!) the historic passage of Algeria to independence'.

The statement refers vaguely to the Party's programme for 'real independence and democracy, for land and bread, for work and education and for opening up the way to socialism'. What this programme means concretely no one knows.

'Independence' in Algeria is independence for the Algerian bourgeoisie to exploit the workers and peasants in collaboration with French big business. To promote this kind of independence is for the CP to promote its own isolation and strangulation.

Russell snubs right wing

NEWSLETTER REPORTER

EARL RUSSELL, the 90-year-old philosopher and leader of the Committee of 100, is certain to be expelled by the Labour Party National Executive. Russell was a sponsor of next month's World Peace and Disarmament Congress in Moscow, which was proscribed by the NEC at its last meeting.

It informed the Earl, along with Lord Chorley and Canon John Collins, who also allegedly sponsored the Congress, that sponsorship might lead to expulsion, as the Moscow conference was under the auspices in this country of the British Peace Council which was proscribed some years ago.

The NEC, however, decided not to expel them immediately but to interview them and give them the opportunity of recanting.

Now Russell has informed the NEC that he has no intention of being interviewed by them and refused to attend a meeting at Transport House last Tuesday

He said: 'I am not going to come. I have written to the Labour Party to say so. They can do as they choose about me. I don't want to argue the matter.'

Recent statements by Gaitskell and company indicate that they will not think twice about expelling Russell.

If he is thrown out, the elderly earl—a symbol to many left-wingers, young and old—may trigger off a major explosion in the party.

In any event, Right and Left can clearly continue to co-exist for only a short period now. The arrogance and intolerance of the right-wing witch-hunters is forging an irreparable split.

City Slants by colin chance

THE index of total industrial production, taking the 1958 base as 100, shows the following results:

- 1959 — 105
- 1960 — 112
- 1961 — 114

Engineering and electrical goods now show an increase of 9 points over 1958 figures, chemical production 13 points and vehicle production 9 points.

Companies' turnovers expressed in money terms, particularly when price increases are taken into account, have shown substantial increases.

Recent company reports, however, graphically demonstrate how profits have declined in relation to turnover and capital employed. I commented on this trend in the June 2 Newsletter.

Few companies publish turnover

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Profitless prosperity?

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figures since they are not required to do so by the Companies Act, and there is not an extensive amount of material to exemplify the trend of diminishing profits in relation to total sales.

Any example should reflect the pressures of world capital on British companies since the presence of competition is an important factor on profit margins.

The British Petroleum Company's recent Annual Report clearly shows how increase in production does not, by itself, lead to increase in profits. 'Surplus capacity now existing in all the main exporting countries... leads to increasing pressure on prices,' says the Chairman. 'We are therefore constantly examining each phase of our operations to ensure that, by the adoption of newer techniques, the cost of our

operations is reduced to a minimum.'

In 1961, BP group sales totalled 78 million tons, a rise of some 30 per cent over 1958. Gross income was £1,036 million compared with £835 million in 1958. But net income, that is profits, were only £60 million in 1961 against £63 million in 1958.

In 1958 profits were 8 per cent of turnover, in 1961, 6 per cent. But in a capitalist society will newer techniques, referred to by the BP chairman, arrest the decline in profits?

To answer that one, let us now take a look at the recent balance sheet published by Guest, Keen & Nettlefold, a steel company also engaged in engineering and allied manufactures.

In 1958 the group profit before charges for depreciation of capital equipment totalled £24 million. In the subsequent three years some £55 million has been invested in new plant, not chargeable against profits so that 'newer techniques' could contribute to greater profits. In fact the 1961 trading profit was £21 million, £3 million less than in 1958.

GKN's chairman drew attention 'to the drastic fall in the two key ratios of surplus to turnover which declined to 9 per cent... and profit to total net assets employed which fell to 11.3 per cent, the lowest figure recorded in the past 10 years.

Another steel company, Colvilles, actually show a trading loss in their recently published interim figures.

And what is the capitalist solution to these inroads on profits? Smaller competitors will be taken over so that a monopolistic position can be attained, and sharper attacks on wages will be on the agenda.

But the classic contradictions of capitalism, now strongly emerging 17 years after the war, present great opportunities for the world working class as well as dangers.

FLN from p.3

tical tendencies. Many of them are reactionary in character. Whether by design, or by lack of an alternative policy, the main trend seems likely to be towards the expansion of the Algerian bourgeoisie and petty-bourgeoisie at the expense of their French counterparts and the exclusion of all but token agrarian reforms.

The orientation in foreign policy is certain to be a line-up consistent with conserving a place in the capitalist world market, it could be identification with the 'Western Alliance' or it could be ostensible non-alignment.

That such a situation is inherently unstable is obvious enough. It is also clear that for de Gaulle, for Ben Khedda and his friends and for the French 'Left', including the Communist Party, as well as the French bourgeoisie it is one which is eminently desirable.

They will do their best to keep it in being. But to do so they will have to hold back historical forces which, in the end, are irresistible.

The inability of the FLN government to satisfy fully the claims of the peasants and workers of Algeria will become apparent. So will the fact that it is unable or unwilling to go beyond the Evian agreement for fear of being swept away.

The responsibility for this situation by the betrayals of the Socialist and Communist Parties of France has been emphasised many times in these pages. So has the need for the construction of a new leadership. The opposition to de Gaulle must be combined with a call for the withdrawal of French troops from Algeria and for aid to the Algerian people in their present struggles.

At the same time, the carrying forward of the Algerian revolution remains linked to the struggle of the working class in France.

There can be no question of a North African socialist state as long as capitalism remains entrenched on the other side of the Mediterranean.

Beeching's boys get busy

by Jack Gale

Mr. Bernard Kilby, railway electrician of Huntingdon, near York, picked up a half-empty box of matches from a railway-carriage. As a result he was hauled before the York magistrates where he was found guilty of stealing the matches, valued at 4d., and given an absolute discharge.

But, as if it's not enough that a man should be hounded for such a trivial matter, Dr. Beeching's bureaucrats decided to have a go as well.

They suspended Mr. Kilby without pay, pending his appeal against the conviction. It is possible that if his appeal fails, he will lose his job, after 30 years service on the railways without a single previous conviction or court appearance.

British Railways is a nationalised industry. But at one extreme we have Dr. Beeching on loan from ICI getting £24,000 a year, while at the other a grossly underpaid worker like Mr. Kilby is treated like dirt.

A clean-up is long overdue in the nationalised industries. It is time to get rid of the soulless Beeching-type bureaucrats.

Verwoerd: new terror moves**Finance capital happy in South Africa**

THERE is usually very little news in the British press of what is happening in South Africa. Perhaps this is because the workings of a police state, in which 63,000 people are sent to prison daily, is not news. Perhaps the fact that this year £86 millions were voted for the police, prisons and army services (an increase of 70 per cent on the previous year) was not news either.

It was news, however, when there was an increased demand for Kaffirs the other day. The 'Financial Times', on June 13, published a front-page graph showing that the price of South African gold shares on the London stock exchange was higher than it had been for more than a year.

This was important news for capitalists. It represented a vote of confidence on the part of international finance capital in the policies of their agents in South Africa and of the ability of the government of Dr. Hendrik Verwoerd to maintain 'law and order' for a further period to guarantee the safety of their investments and maintain profits at a high level.

POLICE STATE

Verwoerd speaks openly and cynically in the name of the small white minority only. He does not need to conceal his aims behind such phrases as 'justice', 'humanity' and 'democracy', as do the apologists for capitalism in Britain.

It was no accident, then, that on the same day as the gold shares shot up, the South African government's 'sabotage bill' passed its third reading in the House of Assembly.

This bill, soon to become law, removes even the flimsy façade of 'democratic legality' which has been maintained so far. South Africa becomes now in theory, as well as in practice, a police state.

The opposition to the fascists will be crushed ruthlessly and legally; no political parties or trade unions of which Verwoerd does not approve will be allowed to function. Newspapers will be banned; acts of sabotage will be punishable by death, as will unlawful possession of weapons and entry into land or houses.

This bill is an expression of the fascist minority's determination to retain power at all costs. The London stock exchange boom in gold shares is an expression of the support which finance capitalism gives to Verwoerd.

The capitalists are by no means doctrinaires. In some countries they support feudalists, in others social democrats, in others liberal capitalists.

STORM TROOPS

Their support for Verwoerd was in fact given rather grudgingly at first. After Sharpeville they were not certain whether his 'hard' policy could continue. There was a run on the South African stock exchange, and the possibility of a more 'liberal' policy was canvassed.

But Verwoerd kept his head. He knew that his Afrikaaner storm troops were the only means by which investments could be safeguarded. (There are £900 millions of British capital in South Africa.)

The Americans were the first to come out in support of Verwoerd. The exchange crisis was met by a loan of \$30 millions to the Land Selection Corporation in June 1961; two months later the Swiss made a loan of 50 million Swiss francs, and from then on the future of Verwoerd's dictatorship was assured from the capitalists' point of view.

They were confident that the

by James Baker

position was safe for the time being. Increased investment, they believe, will bring about a development of the internal market and a fairly rapid rise in the standard of living for the working class.

They are not really interested in the argument about apartheid or so-called separate development. They are confident that economic realities will soon buy some relaxation in the policy of 'job reservation' and of the location of industry in separate Bantustans.

They are encouraged in this belief by the fact that only £5 millions were allocated in the last budget for expenditure in all the 'Bantu homelands', whereas more than £100 millions have been spent during the last fifteen years on producing location housing in the 'white' areas where more than a million African workers live.

Oppenheimer, the chairman of the Anglo-American Corporation, who owns the largest group of gold mining interests in South Africa, gave a report recently on the new policies of his company with regard to African workers.

'SMALL MINORITY

There will be a decreased dependence on poorly paid, unskilled labour; new job categories will be set up, training schools established and promotion to higher grades of work and better wages.

This will affect, however, only a small minority of the workers. In other words, this is an attempt to create a category of African skilled workers who will give support, albeit passive, to the government's policies.

● A further article by James Baker will appear in the next issue.

Swing to Reaction

By BOB SHAW

JOHN GOLLAN in the 'Daily Worker' last week claims that the victory of the Labour candidate in the West Lothian by-election was due to the intervention of a CP candidate, who obtained 1,511 votes.

Defeating Tory candidates in parliamentary by-elections is part of the class struggle. If, however, the programme and the candidates foisted on to the working class are indistinguishable from those of the Tory Party then a "victory" at the ballot box can rapidly be turned into a defeat.

What the Communist Party was certainly responsible for during the West Lothian by-election was confusion amongst sections of the working class and middle class over the rôle of the Scottish Nationalists. This party came second in the poll with over 9,000 votes.

The large vote for the Nationalists is a clear warning of the deep frustration which is widespread in Scotland due to the growing economic difficulties and the failure of the Labour movement to fight the monopolies.

West Lothian is one of the centres of the Tory attack, high unemployment, and closures of industries, pits and railways.

BOAC Workers fight mergers

Newsletter Reporters

THE Cunard-Eagle management, owners of a private airline of doubtful profitability, seem certain that they will succeed in carving a slice out of the nationalised British Overseas Airways Corporation, to boost the the falling profits of the shipping magnates. Cunard took a heavy blow in the seamen's strike of 1960; the day of the big liners is nearly over; so Cunard now hope to use the BOAC facilities to divert the profits of transatlantic flights into their shareholders' bank accounts.

The airport workers do not welcome these proposals. The BOAC Joint Shop Stewards' Committee has proposed:

- the setting up of an ad hoc committee on the airport to keep an eye on the effects of the merger;
- to circulate a statement throughout the Labour movement, explaining the issues involved;
- to call a conference of workers in the airport to gather support from BEA and other sections of workers;
- to send delegations to the Parliamentary Labour Party, TUC and Labour MP's concerned with aviation, to insist that there must be no further encroachments on nationalised industry, and demand that the Labour Party pledge itself to return the lost assets to BOAC without compensation;
- to call shift meetings of the hourly-rated staff.

All this is to build up to a mass lobby of the House of Commons.

To carry into effect such a campaign there must first be a drive to unite the airport workers against the merger. The representatives of the hourly-rated workers should call upon the Joint Panel to campaign for the calling of a mass-meeting of all London airport workers.

Constituency Labour Parties will be mandating their delegates to Annual Conference in the coming

weeks, and the experience of the airport workers will come as a warning that the conference must resist the Gaitskell-Brown line to cut out nationalisation from the Party's policy.

Cunard-Eagle, in a letter to their staff, say "for reasons of economy there will be some switching of work between BOAC and ourselves... if redundancy occurs... every possible consideration will be given to those affected".

Cunard-Eagle managers clearly hope that the Cunard-Eagle men will see their mates in BOAC as competitors for jobs. Employees of both companies must unite to defend their wages and conditions, linked with a call for the nationalisation of the whole industry.

● **Given the green light by Labour's Right-Wing, the Cunard-Eagle plot against BOAC coincides with Ford's refusal of pay increases and hints of wage-cuts. Airport militants must attend constituency Labour Party meetings and help the fight to keep nationalisation in Labour's constitution.**

Cunard-Eagle were refused licences to operate their two Boeing 707's on the profitable Atlantic routes a few months ago. Then followed the secret negotiations behind the backs of the Unions to smuggle Cunard-Eagle in and BOAC out.

The employers' plans are clear: if part of BOAC can be handed to Cunard-Eagle, a piece of BEA can be handed to British United Airways, another privately-owned line, and so on ad infinitum.

The ministers and higher civil servants of the Ministry of Civil Aviation must have known of the Cunard plan.

Parliament is supposed to control civil aviation through its select committee, but Cunard has moved into the State airlines with the support of the City without consulting Parliament.

● On a previous occasion, when Tory ministers were offering Cunard a subsidy of £18 millions for a new liner, they were roughly handled by MP's. This time they chose not to rely on a parliamentary road to fortune.

This experience shows that arguments in the House of Commons which aim at convincing the Tories that they ought to govern in the interests of the majority of the nation are nothing more than sham fights.

The rank and file of the Labour movement must begin to struggle for the nationalisation of the whole of the aircraft industry and to fight now to prevent redundancies and sackings following the merger.

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