

Labour & Trade Union Review

September -October 1993 No. 37

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America's

Labour Allies

New Consensus and Unionism

Adam Smith
and
the World Turned Upside
Down

Report from Lithuania

A Comment after Millwall

plus

Notes on the News
Trade Union Diary

Labour - Moral Crusaders Or Warmongers?

President Clinton's only idea about Yugoslavia is that he would like to bomb somebody there in the cause of peace. The "war to end war" that was launched by Britain in August 1914 has continued with few pauses ever since, but the chief motive power sustaining it has crossed the Atlantic. And on this side of the Atlantic it has to be admitted that the party most in sympathy with the American view of things is not the Tory Party, but Labour.

The wishy-washy Tory leadership - Major and Hurd - have somehow put together a semblance of common sense despite their Thatcher inheritance and have found sufficient backbone to act on it. But the foreign policy of the Labour Party is little more than a distorted echo from Washington.

Kinnock was humiliated when he visited the White House before his first election. The Reagan Government decided he was not to be trusted in Cold War matters and treated him like a naughty schoolboy.

He set about adapting the Labour Party to American foreign policy requirements in the Cold War. An adaptation made in response to such a rebuff did not have the force that a change of policy made voluntarily at an earlier stage would have done. And as things turned out the foreign policy reorientation was accomplished at a time when the circumstances on which it was postulated were ceasing to apply - when the Soviet bloc was collapsing.

In the Cold War era it would have been rational for advocates of a continuation of socialist development on liberal presumptions to support NATO and accept an alignment with Washington insofar as the functioning of NATO required it. But while the Bevanite Labour Party did that in practice when in Government it never accepted it in principle on the basis of the logic of the situation. And it was always prone to indulge in wishful thinking about the Soviet system.

It should have been obvious that the Leninist system was in principle incompatible with the condition of liberal democracy on which social democracy was based. Leninism and social democracy were not only differing lines of policy - they were comprehensively different kinds of social existence. And in order to have freedom to develop each had to have the power to protect it from the other.

The failure of the Anglo-French war against Germany in 1939/40 and the subsequent defeat of Germany by Russia meant that after 1945 liberal democracy in Western Europe did not have the power to defend itself against Soviet encroachment. It was dependent for its defence on the military power of the United States, whose liberal democracy was very different from that of Europe and was not conducive to social democracy.

Through NATO Ernest Bevin arranged for the military defence of Western Europe by a military power which was in many ways out of sympathy with it, and which had interests of its own in other parts of the world with which the liberal democracy of Europe could not sympathise.

When the Bevanites took over command of the Labour Party they chafed at this arrangement of things though in practice they could do nothing to alter it.

Their mixed feelings towards both social democracy and Leninism meant that it was beyond their comprehension that European social democracy, personified by Ernest Bevin, could use American military might via NATO to defend social democracy against Leninism. NATO they believed in their heart of hearts was US domination of Western Europe.

When Kinnock couldn't take Reagan's rebuff (and a lot of other people's as well!), he simply sold his soul and embarked on a campaign to make himself liked. So he accepted the US view of things and thereby became what he once wrongly imagined others to be - a lackey of US imperialism.

The first test was the Gulf War. Labour went along with the Bush/Thatcher/Major

scheme of insisting on having a war with Iraq. There would be no face saving for Saddam. He had to be taught a lesson.

Thatcher imagined herself to be the political heir of 19th Century liberal capitalism. To some extent her economic policy was akin to the old liberal capitalism. But in matters of international politics she couldn't have been more different.

The Cobdenite liberals had the very definite policy that it was not their business to solve other people's problems. Where possible they minded their own business. Where not, they tried their best to facilitate a peace of the kind that left honour intact and did not lay resentments for the future.

This policy was discarded in the years leading up to 1914. Leading elements in the British establishment, literary as well as political, were determined to have a war with Germany, a war in which Germany would be destroyed.

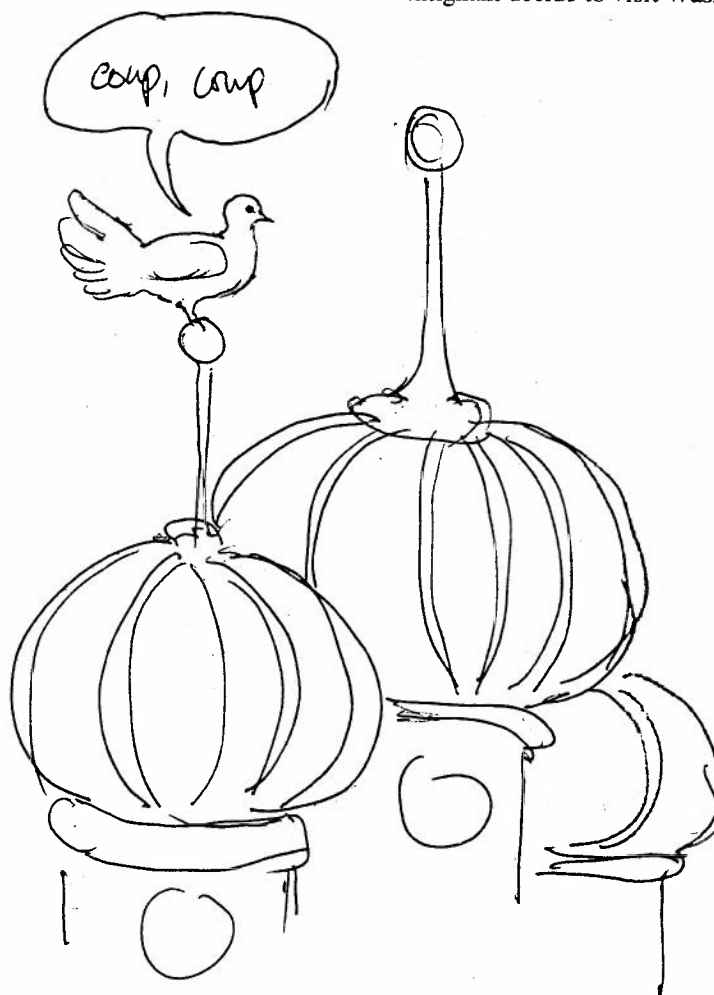
In the new democratic era such a war could only be launched with mass public support. It had to take the form of a moral crusade. Though many influential people now affect horror at both the war itself and

at the lying propaganda that fed it, they have consistently fallen for the same type of war hype time and time again since 1914. (Remember the incubator story from Kuwait?)

The wars since 1914 have, where the US and Britain were involved, been moral crusades. Moral crusades cannot be about solving problems. They can only be about identifying bad enemies, destroying these enemies, and sod the consequences.

Major and Hurd seem to have learned something from the Gulf War and are reluctant to allow a moral crusade in Yugoslavia. Labour, by contrast, have completely entered into the spirit of the thing. Labour's spokesmen demand the bombing of the Serbs, and if that doesn't work we should wash our hands of them all. That is Labour 'policy'. Some way to solve an international dispute!

John Major is not Bill Clinton's favourite person. It is not just the matter of muck-raking before the US elections. He is what stands between Clinton and a nice crusade against Serbia. One can be sure, on the other hand, that the welcome in the White House would be very warm indeed should John Smith and Jack Cunningham decide to visit Washington.



TRADE UNION DIARY

By Dave Chapel

What Good are Unions?

Arthur Scargill's contribution to the TUC Conference was interesting more for the reception he got than for its content, interesting as that also was. Essentially what Scargill was saying was that the trade union movement was getting nowhere and could get nowhere because its hands were tied.

The anti-union laws and their enforcement by the threat of sequestration of their funds had meant that the unions were no longer seen as any threat by employers or by the government. By implication why should anyone join a trade union that couldn't defend them or improve their pay and conditions.

He proposed that the unions should stand up to the government and be prepared to break the law. Most delegates clearly agreed with his analysis and many said that his solution also made sense.

Of course the resolution was not carried. But its rejection was not the usual dismissal of Arthur Scargill. Delegates felt quite guilty about their actions especially since the only excuse they had was the protection of union funds.

That still leaves us with the problem which Scargill highlighted. In the 1970s I can remember unions like ASTMS organising in new industries which were developing new technologies.

The organiser would fairly quietly recruit as many workers as possible. He would then find some grievance. And almost the first thing the employer knew about it all was when

he saw a picket line outside its door.

The "grievance" would of course be quickly sorted out. But the short sharp shock method established a new relationship at work to the benefit of the workers.

That would be illegal today. And so new growth industries and casual or part time sectors are largely unorganised. Who could could organise the bulk of building workers or the thousands of cleaners, motor cycle and other couriers, security guards, private delivery workers - let alone the high technology industries.

Certainly not the present unions who at best have to go cap in hand to

new employers as salesmen of labour. That is increasingly how the Engineers and the Electricians carry on. There are even training courses for officials teaching them marketing techniques which they practice when they meet employers.

What they are doing is trying to persuade employers that unionisation is in the *employer's* interest rather than persuading the workers that the union could do something for *them*.

Other unions like the T&GWU have to hope that Labour will be returned to office and will reverse at least the most restrictive of the Tory legislation. There is no guarantee whatsoever that Labour will form a

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government in the foreseeable future.

But even if they do, why should they make things that much easier for the trade unions? As a *government* they will want as little industrial trouble as possible. The Labour leadership is trying to break the links with the unions and will, if they succeed, be far less influenced by them. Also there is the possibility of a coalition with the Liberals, and the Liberals can be every bit as hostile to the unions as the Tories.

The best that the unions can hope for is that the EC will reverse the Tory attempt to emasculate the unions. But I have to report a proposition that was recently put to me. This was that either a union should break from the TUC or that a new union be formed.

Such a union would either have no funds or not much care about its funds. Then it would adopt Arthur Scargill's proposal. The TUC unions needn't be directly involved. But neither need they take any but a benign attitude to the new rogue. If anyone has a better idea send it on a postcard to John Monks.

Workers of the World

Speaking to this journal shortly before becoming General Secretary of the T&GWU, Bill Morris expressed doubts about the possibility of organising unions across national boundaries. He outlined the difficulties involved.

But Bill Morris is not someone who recoils from difficulties. Our movement, political as well as industrial, has far too many so-called leaders who see problems as things to be solved.

For example, Tony Blair believes that the link with the unions is unpopular. Therefore the link should be reduced or even severed altogether. By contrast, John Prescott says that if the public has a problem about the

link, that means that the Party has the task of explaining it to the public and getting their support.

Bill Morris is in the same mould as John Prescott. The problems he outlined a couple of years ago have clearly occupied his mind and he now proposes to deal with them.

Before the recent TUC he identified the increasing internationalisation of capital as having a serious effect on the union movement. This, he says, would be the case even if the recession ended and the anti-union laws were not in force.

British jobs are not simply being lost. They are being exported:

"Car workers jobs have disappeared in Detroit and Birmingham to re-emerge in Mexico and other low-wage countries.

"Coal miners have been laid off in Rotherham and the Rhondda Valley even as 12-year-olds are sent down pits in Bolivia and Columbia.

"Textile workers in Yorkshire and Lancashire have seen their industries migrate to Asia."

(*Guardian* Sept. 7, 1993)

The challenge for the unions now is to organise internationally by whatever means are appropriate.

It is interesting to note that the British press is fostering an inward looking mentality, sneering at the EC and foreigners generally. This is the same press that is more and more a part of global press empires. It is not in their interests that ordinary people should see themselves as part of a European society - let alone a global one.

Bill Morris could start by countering this narrow chauvinist propaganda while he also gets on with the mechanics of uniting organised labour across national boundaries.

US Miners

On the subject of international solidarity, the miners in America are in the sixth month of a dispute with the coal owners. In 1988 agreement was reached whereby the owners would guarantee that three out of every five new jobs created would go to a union member, thus making up for union members who lost their jobs when their own pits closed.

The owners want a union-free industry, but they have to abide by the agreement. So they have set up front companies to open new mines and who are not bound by the 1988 agreement.

The largest coal owner is Peabody Holdings. The latest drive to de-unionise and cut wages comes from Peabody's new parent organisation, our old friends Hanson Industries, friends of Mrs. Thatcher and a certain Labour MP!

Apology

Labour & Trade Union Review would like to apologise to readers and subscribers for the late publication of both this and the previous issue of the magazine. This is mainly due to technical difficulties in production following the theft of most of our equipment. Thanks to the generosity of supporters the equipment has been replaced. But the magazine is still left with debts. Any donation to help cover these would be most welcome.

Report From Lithuania

Why it matters to the Labour and Trade Union Movement - Part Two

by Peter Tobin

Sajudis - Incompetence and Paranoia

What became distinctive about the Sajudis government was that far from recoiling from its policies as they wrought increasing havoc with Lithuanian society, they doggedly clung to them, on the "no pain - no gain" principle. Adding to their brew of economic and structural mismanagement they further increased their unpopularity with a series of show trials and purges of ex-communists and alleged former KGB agents. It was a response to demands from a vindictive right-wing nationalist bloc which wanted to settle accounts with the supporters of the old regime and to finally extirpate communism as a political and ideological force within Lithuanian society.

It started in an atmosphere of hysteria and quickly became a full-scale witch hunt. Denunciations and exposes formed a regular diet from which nobody was safe; even Lithuania's first Prime Minister, Kazimiera Prunskiene, was exposed, after her resignation, for her links with the KGB. Certainly, it was not hard to find individuals who had some sort of contact with the previous regime given its long tenure and pervasive control, in fact it would have been harder to find anybody who had not!

A less blinkered government might have pursued a policy of reconciliation. The basis was there; any evaluation of the role, for example, of Lithuanian communists in the liberation struggle against Moscow would have recognised the validity of their patriotic credentials. Also at the official policy level the Communist Party accepted that the command model had ossified and

needed to be replaced by some form of market economy.

This profound shift was symptomatic of the process initiated by the CPSU under Gorbachev and echoed by CPs throughout the Eastern Bloc. It was clearly a genuine change, accompanied by sometimes gratuitous self-abasement and at others a real contrition for past excesses.

The nationalist right, for the most part embodied by Sajudis, was too mired in the crusade against socialism, however, to respond even pragmatically to these developments. Habituated to oppression during the decades of "Sovietizacija", it had exhibited sectarian patterns of behaviour as a response. In a different situation, when Sajudis became the party of government, such exclusiveness was a liability hampering the political maturation necessary to unify the new nation.

At the level of practical politics the continuing hunts for agents of the old regime were counter-productive for the government, undermining its own commitment to democracy and alienating many Lithuanians who saw it as psychopathic fiddling while Rome burnt (or froze, as was the case).

Finally, it began to consume itself. Even those with hitherto impeccable nationalist or right-wing credentials fell as victims. The nadir was reached when President Landsbergis' own information officer, Rita Dapkute, was exposed as a KGB agent! She added to the farce stating she had acted with the tacit agreement of the Lithuanian and American secret services.

Given that the former is a sub-

branch of the CIA, which has a highly visible presence in Lithuania, and given that double, triple, and perhaps even quadruple agents were a feature in the onion-layered world of Cold War espionage there may have been something in their claim, but it wasn't enough to save her and she was forced out. (Undaunted, however, she has since shown commendable entrepreneurial spirit - at least for a 'communist' - by launching Vilnius' first home pizza delivery service. (*Baltic Ind.*, Nov 6-12, 1992)

Insecurity played a large part in the motivation behind the witch hunts. Sajudis and the extreme right, despite their early electoral success, felt threatened on two counts; the first was the effect that over forty years of socialism had had on the social and political make-up of the mass of Lithuanians, and, the second, very much related, was the residual popularity of the, by now, 'ex' communists. As the latest elections showed these fears proved well placed.

With respect to the former; the concern of the rightists, as has been said earlier, was to break down the habituation to state control of all aspects of social and economic policy. They asserted that this had produced habits of docility which were inimical to the development of a thrusting entrepreneurial society. The term most frequently heard from right-wing ideologues to describe their fellow citizens was that they had become 'sheep'. It demonstrated a contempt bordering on arrogance as well as emphasising the fragility of the right's social base once the nationalist tide receded to be replaced by more pressing economic concerns. The problem for the ever shrinking Sajudis government was that while attempting to pursue unpopular and

crackpot free market economic policies, the 'sheep' had votes.

In the case of the latter, the ex-communists, now the Democratic Labour Party, were always in a position to benefit from government blunders. This reflected the unique position of the old Lithuanian Communist Party within not only the Baltic states, but within the Soviet Bloc. In the first place it had a genuine historical base in the country long before Soviet penetration. One of the great leaders of the Bolshevik revolution in 1917, Felix Dzerzhinski, was a Lithuanian Jew (a statue to him was recently pulled down in Vilnius along with dozens of Lenins).

Even under Soviet colonisation the Party had largely local roots and this reflects the fact that there are fewer of Russian extraction in Lithuania, as opposed to Estonia and Latvia, helping it to avoid the accusation that it was a purely foreign imposition; (the percentages are 9.8%, 30% and 37% respectively). Even its indigenous leadership were never regarded by the majority as being Soviet puppets. For example, compare the respect accorded to Antanas Snieckus, First Secretary from 1940 to 1974, to the opprobrium heaped upon the heads of Gomulka in Poland, Ulbricht in East Germany, Husak in Czechoslovakia, &c, by their respective populations.

This phenomenon was strong enough to sustain the position of the present First Secretary, Algirdas Brazauskas, who remained the most popular politician in Lithuania when his reformed Party was receiving a drubbing at the polls. Accused of being no more than a Gorbachevite epigone by the nationalist right, his standing increased as the government became more right-wing, incompetent and incoherent while his reformed party shifted to occupy the left-of-centre ground awaiting the inevitable electoral nemesis for the right.

The strategy of the Sajudis government had been two-pronged;

the social and economic policies based on the rapid transition to capitalism were designed to break up the flock while the witch hunts were to ensure that the old shepherds did not return. It was a reckless gamble that came unstuck as Lithuanians became increasingly disenchanted with the breakdown of their society and with the growing hardships that followed. Their patience finally snapped when, in spectacular fashion, a government brimful of ideological puff could not even organise the fuel supplies necessary to keep the country moving and warm for the present Winter.

The Fuel Crisis

Lithuania lacks the indigenous fuel supplies necessary to run a modern society. When it was part of the Soviet Union this was no problem as it had vast oil reserves which were exchanged within the Bloc for the particular commodities designated for production in various republics which comprised the USSR. The attempts by the Soviets to move parts of this economy away from dependence on oil to nuclear power had failed in Lithuania as they were still constructing a reactor similar to Chernobyl when that disaster struck.

Being almost downwind of Chernobyl, this produced an early nationalist backlash and 5,000 demonstrators joined hands at Ignalina to prevent its completion. (Had they perhaps campaigned for safe nuclear power as opposed to no nuclear power they might not be so cold today. Countries lacking indigenous fossil-fuel resources, who wish to be modern industrial societies, do not possess the luxury of choice.)

The total dependence on oil became a liability after independence. Relations with Russia were strained and oil at one point formed part of a general blockade as early as June 1990. It was also the case that Russia, as it was now becoming, was no longer interested in a simple exchange of commodities for oil.

Russia wanted only dollars as payment, and being now a capitalist state itself, it wanted the price the market would bear.

Lithuania's problem was that dollars were in short supply and it became increasingly difficult to meet the payments demanded. The last crude oil deliveries were therefore made in July 1992, and by September the effects were being felt. In mid-October there was a heavy and unseasonal fall of snow which caught the country by surprise. Hot water had already been turned off, first on alternate weekdays and weekends, and then altogether. Heating was turned on two weeks later than usual and even then restricted to 13 degrees Celsius. It would have been a bad Winter without the early onset of the snow and the **Baltic Observer** retrospectively expressed the opinion that it was : "...a clear omen of bad news...The damage was not just physical but it was also political." (**BO**, Nov 5-11 '92)

It was the final straw for many Lithuanians who when they went to the polls on October 25 gave the ex-communists a respectable 44.7% of the vote with Sajudis getting a derisory 19.8%, and a multiplicity of rightist and centrist parties taking the rest. To quote one editorial: "*The Lithuanian election result may mark the first time in history that heating and hot water (or lack of them) have decided a country's future.*"

It continued to make a common sense observation that: "*Most important is to subsidise the energy needs of the weakest... This is an urgent matter. Children learn little in, or do not attend, unheated schools. Patients suffer in cold hospitals. And old people will die of hypothermia if they cannot afford to heat their homes.*" (**Baltic Independent**, Oct 30 - Nov 5, 92).

A large number of Lithuanians had concluded that the government's attitude was to let them suffer and let them die. In fact as the crisis was worsening, Sajudis was squandering limited resources on military

posturing. One of its last acts was to purchase a warship (admittedly the Russians let them have it for roubles), which had no guns of any description and which was intended to provide the basis for a Lithuanian navy. This went down badly in a situation where people - especially pensioners on fixed incomes - were freezing. It was this mixture of crassness and incompetence which this instance typified, that produced substantial electoral revulsion.

Uncertainty & Turmoil

Despite its appalling record and despite the fact that it had become increasingly rent with internecine squabbles, the precipitate collapse in Sajudis' vote caused consternation across the political spectrum - even the polls were confounded - again. It had been assumed that the strident anti-communist hysteria, involving smears and denunciations, directed against the left would work for the Lithuanian right as it had elsewhere. The informed opinion was that the electorate would wilt under this barrage and, however reluctantly, re-elect Sajudis. In fact the hitherto stoical Lithuanians had taken the opportunity, in the privacy of the ballot box, of 'throwing the bums out', (as one commentator delicately put it).

The 'bums', for their part, reacted with barely concealed fury. The extreme rightist leader of the Nation's Progress Party, Egidijus Klumbys, echoed the thoughts of many on the right when he threatened guerrilla war. (**Baltic Independent**, Oct 30 - Nov 5, 92). Contempt for the electorate and its decision was mixed equally with bewilderment. Sajudis blamed everybody but themselves for their defeat and their supporters in the following days and weeks leading up to the second round on November 10 hinted that they might not let the election result go unchallenged.

The reformed communists who admittedly had fought a strong populist campaign offering to preserve living standards and social

security, were nevertheless equally stunned by the scale of their success. Partly overwhelmed by the enormity of the task they faced ("more power means more responsibility", commented Brazauskas), and partly fearful of a backlash from a well armed right, (similar to the coup attempted by Latvian fascists the previous year), they made conciliatory noises in the immediate aftermath of victory offering a coalition government to Sajudis. So fearful were they in the following period they even collaborated in juggling with the result in order to increase the Sajudis share of the vote up to 21%!

The notion of a national government was rejected out of hand by Landsbergis on behalf of Sajudis. In the run up to the second round a menacing hauteur emanated from this increasingly weird and autocratic individual. His trajectory had been a singular one, an earlier quote illustrated his primitive social and economic views, but his origins lay in music as a teacher and latterly as an authority on the mystical Lithuanian composer and artist, Mikalojus Ciurlionis. For Landsbergis, he represented the highest expression of Lithuania's unique cultural and intellectual identity, and as an aesthetic symbol of national resistance to Slav influences, which followed upon Russian control.

The creation of a cult around this strange genius illustrates the important role music played in the breaking of that control, with folk and popular song evoking the mood of general protest. It was as big a battleground as that of the struggle for the Lithuanian language to the extent that the upheavals of 90/91 were dubbed 'The Singing Revolution'.

Landsbergis was then very much in tune with the times; thereafter his relationship with the mass of Lithuanians became increasingly discordant. They held the Sajudis government and Landsbergis, as Chairman of the Supreme Council,

largely, if not wholly, responsible for the litany of problems afflicting the country. It was a common perception that there had been more damage inflicted on Lithuania in two years than the communists had achieved in forty. The reaction of the Chairman and his shrinking band of associates was to retreat even further into a surreal political landscape offering symbols when people wanted bread.

The attitude of Landsbergis to electoral rejection added to the tension in the ensuing days and weeks. Asserting that the Lithuanian people had somehow failed his exalted vision he retired to brood, like Coriolanus in his tent following his expulsion from Rome by the Senate and a 'rabble of plebeians'. The hostility was mutual and sometimes openly expressed, always a sound indicator of the 'Vox Populi' you could hear the old women, whose pensions and savings had evaporated, hurling his name into the faces of the icon sellers outside the Catholic Cathedral on Sunday morning in Vilnius.

Landsbergis' attitude was symptomatic of many on the nationalist right, who could not bear the thought of the 'communists' returning to power. Their hostility manifested itself during this period with anti-communist marches organised by right-wing students, and an attempt to ban any winning candidate from taking his, or her, seat in the Seimas (Parliament) if it was shown that they had any links with the former KGB.

On the day the second round was postponed, November 10th, armed civilians appeared on Gedimino (formerly Lenin) Prospekt, in a city already swarming with police, many of whom were recently recruited young Sajudis supporters. Off the streets, in the bars and cafes, there was nervousness and speculation, in the more exclusive restaurants unquiet Americans gave serious face-time to subdued locals on the subject of 'security'.

There was restlessness also

amongst the security and armed services where the right had established dominance; of particular concern was the agitation within the die-hard 'Skukai' elite presidential bodyguard. In this way the spiral of uncertainty traced back to the petulant Landsbergis whose political personality by now owed more to Coriolanus than Curlionis.

If the right hoped that the combination of political stratagems and intimidation would change the result in the second round they were to be confounded when it finally took place on Sunday November 15th. The LDDP took 80 of the 141 seats in the Seimas with Sajudis and its allies getting about 40. The already hard-pressed Lithuanians had accepted the additional burden of political unrest and with their customary determination more than confirmed the anti-Sajudis vote of October 25th.

That they did so was as much a tribute to the political skills of the LDDP as it was to the ineptitude of the Sajudis. In this difficult period they demonstrated the pragmatism which distinguished them even in the long Soviet night. As the victorious LDDP candidate in Kaunas, Linas Linkevicius, defined it: "In Lithuania communism was not a religion, it was the rules of the game". (BI Oct 30 - Nov 5, 92).

In contrast to their opposition they offered competence and flexibility to an electorate physically and psychologically exhausted by the crude free-market excesses of the past two years. And if Landsbergis encapsulated the political personality of Sajudis then that of Brazauskas typified that of the LDDP.

A leading proponent of reform, from a solid engineering background, he had replaced the hardline Rimgaudas Songaila, in 1988, and as stated earlier had led the national upsurge in pulling the first brick in Moscow's wall. During the first economic blockade imposed by the

Soviets it was his shrewdness which had mitigated the worst effects while at the same time he was never inclined to unnecessarily provoke the retreating Russians. This approach coincided with the growing realisation that the West had not been able to fill the trade vacuum created by the collapse of economic relations with Russia, and that practical considerations dictated accommodation rather than the confrontation of the heady days of national liberation.

It was said that the LDDP won the election by default, that it was a negative vote against Sajudis rather than a positive vote for them. Nevertheless, they still had to position themselves to receive that mandate. Had they not modified and changed themselves from communists to a species of social democrat it is just as likely that the protest votes would have gone to a myriad of Christian Democratic or centrist parties.

The combination of patriotism and pragmatism enabled the Party to attract many new recruits. The influx further revived it and confirmed its adaptations. It also decisively strengthened the reformist wing in the organisation. The figures show that one in three Party members had joined within the last two years and had not been in the former Communist Party.

If 'the rules of the game' dictated accommodation to unpleasant realities then the new Party would not let former antagonisms or prejudices stand in the way of judicious politics. This can be seen in its attitude to the institution that embodies trans-national capital, the International Monetary Fund, which was at that time negotiating a loan with the Lithuanian government in return for continued 'good behaviour'.

Within this framework it is apparent that the policies implemented by Sajudis were not

wholly internally generated. Privatisation, 'Liberalisation' and 'Decentralisation' were required by the IMF if Lithuania was to be made secure for Capital. On this balance sheet social cost is never a consideration, whether it's Lesotho or Lithuania. The IMF acts as the Herod of Finance Capital, slaughtering the first born on the altar of free market capitalism.

Four days before the first round of the elections, the IMF approved a US loan of \$82 million and the following day its partner in international finance, the World Bank, advanced another \$60 million. Per Hedfors, the IMF agent in Vilnius, made it clear that any deviation from the 'reform' plan would produce the immediate cessation of such financial support. If it was hoped that this stratagem would save their local running dogs by warning the Lithuanian electorate off supporting the opposition: it did not succeed. The message, however, was not lost on the leadership of the LDDP who, once in government, moved quickly to placate the IMF, underlining their commitment to a market economy, and, for example, giving an assurance that some form of privatisation programme would continue.

The difficulty the new government will face will be reconciling the campaign pledges of higher wages and lower prices with the austerity and rectitude demanded by international capitalism. Since October some have been redeemed, such as the rapidly introduced price freeze.

In respect of building a new national consensus and despite the rebuff from Sajudis, the Party honoured its offer of coalition by giving all but three of the seventeen or so seats in the cabinet to non-Party members. Since the elections last year the Party's support has continued to grow, a fact reflected in February when Brazauskas got a 60%

plurality for the formal post of President under the new constitution.

Over the coming period, however, the LDDP government faces massive problems in rebuilding from the economic and social rubble created by the 'supply side' policies of its predecessors. It is also salutary to reflect that no matter how well it copes domestically it could still be undone by political instability and advancing reaction in Eastern Europe, particularly Russia. Here it looks as if the West is not prepared to see its client in Moscow subjected to the same forces that ousted Landsbergis. The preferred American option would be to back Yeltsin seizing autocratic powers, better to protect and prolong the free market experiment and, of course, 'democracy'.

Conclusion

The fatal mistake made by the so-called reformers in the Eastern Bloc was the Utopian assumption that they could leap to capitalism in a single bound. Admittedly many market economies have experienced periods of take-off but they have only occurred after a much longer period of some form of primitive accumulation. This process is a complex and material development, its gestation cannot be replaced by wishful thinking; the laws of physics may allow a singularity but the laws of economics do not. There was never any realistic basis for the belief that subjecting countries like Lithuania to a 'Big Bang' effect would produce a successful market economy.

Similarly naive was the assumption that there was only one 'monetarists' model of a market economy, and that therefore, necessarily, there are no unresolved contradictions within capitalism. This is not so; market economies exhibit marked differences reflecting their particular historical and social origins. They range from the comprehensive welfare state systems of Germany and Scandinavia to the more elemental, individualistic, 'laissez-faire', American system.

Proponents of the latter model dogmatised its alleged principles as a weapon against 'Keynesian'/welfare capitalism. In America it was Reaganomics, when exported to Britain - Thatcherism. The radicals in Eastern Europe are therefore partisans in a struggle over the nature over the nature and future of capitalism and not, as they would have wished, purveyors of a 'Holy Grail'.

And because communism had failed it does not follow that capitalism has succeeded; the radicals of Sajudis tried to ignore the fact that this system had its different cruelties equal to those under command communism. Instead of atavistically pulling down the entire system it would have been more realistic to have utilised its social and economic sinews as a cushion against those cruelties. This would have meant adopting a social market philosophy providing protection for vulnerable groups and maintaining social cohesion in what was bound to be a traumatic period.

Instead they reversed the communist mistake of "putting politics above economics by putting economics above politics". (**Observer**, Nov. 15th W. Keegan) In doing so, they rent Lithuania asunder for what at best was no more than a street vendor's version of a market economy.

The Labour movement in the West should involve itself in Eastern Europe. Its enemies are the same; wherever there is a market economy, at whatever level of development, it needs to advance the argument that *"there is ample evidence to support the claim that social harmony goes hand in hand with economic success"*. (**Capitalism Against Capitalism**, M. Albert.)

If also Eastern Europe is left in some Wild frontier form to be ravaged and subject to hyper-exploitation by international capital then the organised workforces of Western Europe will be undermined. As a reservoir of cheap labour, 'in situ' for industrial processes and migrant for

the construction industry, they will be used to ratchet down wages, conditions, and regulations. In this light it is no accident that the likes of Thatcher are arguing for the countries of Eastern Europe to be admitted to the EC; seeing them as a Trojan Horse with which to undermine the move to 'Corporate Europe'.

Lithuania, is then representative of the problems of the former Soviet bloc. Perhaps the open violence in Yugoslavia has distracted us from the great hardship being endured throughout the area. In this sense it is salutary to note that the situation in Lithuania, while grim, is actually better than elsewhere.

There are parts of Poland and the Ukraine, for example, where a medieval blackness has descended on the land. Many innocent and vulnerable people are being sucked into a vortex of hunger, cold and despair. By electing Democratic Labour, Lithuanians have attempted to reverse the spin into the abyss, they have not, as that crypto-Thatcherite organ - **The Independent** - headlined on November 17th, 92 chosen "a party of the past", but rather threw out a party of incompetence, corruption, and reaction.

It is something the British people signally failed to do on April 9th, 1992!

Postscript

This is based upon a week's visit and therefore some important issues, such as the role of the Catholic Church, and the argument over the withdrawal of the Red Army, are not touched on. Similarly there is a gap on the trade union situation, this is because I did not make any contacts: partly out of deference to the wishes of my would-have-been hosts and also because I had been informed that the CIA had set up duplicate unions covering most sectors, and that it would have been inadvisable to go blundering around.

Notes on the News

by Madawc Williams

Screeching Lady Thatcher

Screaming Lord Sutch recently celebrated some thirty years as a joke candidate. He has the merits of meaning well, and not taking himself too seriously. Very much the reverse of Mrs Thatcher.

It's a general rule that in a changing world, no leader can do a good job for more than at most ten years. Those who carry on past that point almost always pay the price and damage their own cause. In the last year or two of her rule, there were plenty of people on the Labour side who were hoping that Thatcher would stay on and guarantee a Labour victory. Given the closeness of Major's victory, they were almost certainly right. Of course the Yahoo element among the Tories were still expecting 'SuperNanny' to pull off a miracle. But enough of the MPs saw her as a liability and wanted to dump her. And dumped she was.

Major won the 1991 election on false pretences. Most people thought that the recession would only be a small one. And Major managed the interesting trick of managing both to seem a continuation of Thatcher and a return to more traditional Tory values. After the election he revealed himself - underneath that bland smiling exterior there was nothing in particular.

Now Lady Thatcher is due to favour us with an autobiography and series of appearances on television. She will no doubt explain that everything that went wrong was the fault of other people - mostly people whom she appointed and whom she had the power to remove. of course. Broadly, she can be expected to spend her time tearing into her fellow Tories. It should be great fun for all of us on the left.

Mrs Thatcher's watchword was 'there is no alternative'. She has proved the point, though not in the way she intended. The new pattern of politics after World War Two cured many traditional evils - slump, unemployment, racism, war, hopelessness. For all of her talk of 'radicalism', all she did was to break up part of that new pattern and revert to an older system, and a worse one. She landed us in a mess, and Mr major has no idea of how to get us out of it.

Stocks and shocks

I doubt if many readers of this magazine are shareholders. But if any of you are, the time to sell up and get out is *now*. **The Economist** recently noted that the ratio of price to dividend has reached a level that has always previously meant a crash. Never mind that the stock market has not recovered its 1987 peak in real terms - on paper it has recently got back to the same level, but allowing for inflation, stocks are well below their 1987 peak. But the economy is also worse than it was in 1987. A crash might happen tomorrow, or it might be delayed for several months. But in so far as anything in economics can ever be certain, another stock market crash will happen.

During the early part of the 1980s, people talked about it as a 'return to the 1930s'. I think that they got it about ten years out - it was really a return to the 1920s, the last period of passably successful and relatively unmanaged capitalism. We are now on a spiral down.

Di hard?

Present-day politics throws up many oddities. Murdoch, having destroyed what was left of the historic dignity and reputation of **The Times**, is now turning it into cut-price product, just as he earlier did with **The Sun**. Meanwhile **The Daily Mirror**, one of the stronger hold-outs against Murdoch's growing

power, seems quite willing to join him in the cruel and pointless pastime of hounding the royals.

When a secretary to Lord Tebbit launched a gratuitous attack on Princess Dianna for giving her children a series of treats while also calling for better care for the poor, the **Mirror** was happy to join in. Now what sort of logic does that make? It was Thatcher and Tebbit who transferred huge amounts of wealth from the poor to the rich, doing their best to abolish the basic securities that poor people used to enjoy. Maybe Tebbit and his lackeys see no connection between his 'on your bike' philosophy and the general break-up of family and social values. Maybe he can't grasp that if you take people out of their familiar neighbourhood, the locality where they have a place and where they are known, they are much more likely to behave in untraditional ways. But the **Mirror** ought to be a bit more reflective.

Princess Di has done her best to be a decent royal in an era when the whole thing is going down the plughole. As I recall, it all began when the Queen herself encouraged some media hounding of Princess Michael of Kent. Even if Princess Michael was a less than pleasant person, this was a very foolish thing to do. It's an old truth and a deep truth that an injury to one is an injury to all. Not all moral sentiments are self-enforcing - certainly some people get away with gross lying and cheating, and many other faults besides. But if you ever forget that 'an injury to one is an injury to all', you will in due course suffer the consequences.

Anyway, you can hardly blame Dianna for trying to do the very best for her own children. That's a normal maternal attitude, and excellent in itself. That she has been given great wealth while others are in need is not her fault or her responsibility. How many millionaires give it all up to help the poor? How many ordinary people would be generous, if they were somehow to acquire a fortune?

The point that **The Daily Mirror** should keep hammering is that Thatcherism totally failed to fix the things that were wrong with Britain. The curbing of the Trade Unions in the early 1980s was unavoidable, given that they had failed to live up to the larger and more responsible role that they were offered in the 1970s. But every other damn thing that Thatcher did was an error. She didn't cure Britain of its ills. She mostly 'cured' us of our merits and points of virtue.

In the 1960s and 1970s, Britain was economically on the slide, but also nice place to live, with a widespread gentleness and sense of community that was not found in many other places. After what Thatcher and Tebbit have done to us, we are now merely an economy on the slide.

Armenia - successful genocide

Almost since the dawn of history, the Middle East has been a collection of very diverse people, normally ruled by one or more multinational empires. One nationality would be dominant - Turks, Arabs, Byzantines, Romans, Greeks, Persians, Egyptians or Babylonians. Under this dominant minority, a great many very different peoples coexisted across the centuries and the millennia. It was no utopia - the most horrible wars and massacres could and did occur. But somehow the pattern of diversity and coexistence was preserved.

All this ended with the break-up of the Turkish Empire. British and American policy favoured the break-up of multi-national empires - and never mind if there was no simple alternative. Nation-states were seen as the natural and normal pattern. And the right of nations to oppress and drive out inconvenient minorities was not seriously questioned, even though it was deplored. The complex and diverse fabric of Middle-Eastern life was gradually organised into a number of new states that were then expected to invent a national identity for themselves.

Armenia was mostly a victim of this process. Having existed since the time of the Roman Empire, they found themselves victims in the new world order. The Turks drove them out of much of their traditional territory, and they were only saved by the new Soviet state that more or less took over the former Russian Empire, including Armenian territories. They remained intermingled with other peoples in the Caucasus - including the Azeris, a Turkish people who had been ruled by Iran, but who had been half-swallowed by Russia. During the Soviet era, the whole mess of intermingled peoples and nationalities was frozen and kept stable.

Gorbachev began the break-up. When the Armenian Republic asked that an autonomous Armenian region in Azerbaijan should be turned over to them. Given the patchwork nature of populations in that part of the world, this was not a good idea. An Armenian Republic in two sections with Azeris in the middle was never likely to be a stable or a sensible solution. But Gorbachev was his usual indecisive self, so that the problem escalated, turning into a war even before the break-up of the Soviet Union.

What's now happening is that the Armenians have cleared away the inconvenient Azeri population between the two sections of their state, and are busy rounding off a single continuous territory. At the time of writing, the Turks have tried menacing the Armenians to try to stop them taking any more of what used to be unambiguously Azeri territory. But Armenia has Russian support - also Russia must see it as useful to have Armenia as a barrier between Turkey and the various Turkish-speaking peoples of Central Asia, who would very possibly like to complete their genocide against the Armenians and form a huge continuous Turkic state stretching from the Mediterranean to the borders of China. Few non-Turks would care for such a prospect. Even the Iranians would feel doubtful, since their territory includes the other half of the Azeri nation, in territory that is

also rich in oil. So the geopolitics will probably keep Armenia safe. As for the morality of the matter - does anyone still suppose that there is anything moral about the New World Order?

PLO prospects

Several years ago, I argued in these newsnotes that the only decent solution for Israel was to turn their Palestinians into a series of mini-states. Mini-states were pretty much the norm for that part of the world, at least when they were not ruled by some strong outside force. Since no such solution seemed possible, I then forgot about the matter. But could this be the intended and expected outcome of what the Israelis are now giving them? Certainly, it has never been very hard to divide them. And the whole Arab world has seen no successful mergers of states, apart from the union of the two Yemens. Just why Arafat has accepted such a solution is a puzzle. But with the Gulf Arabs punishing him for having supported Iraq, and making it very clear that nothing can be allowed against the will of the USA, what other options did he have?

ANC triumphant?

The leaders of the African National Congress learned their politics from the Communist movement in the days when it still had something coherent to say. Possibly the Afrikaaners did them an unintentional favour by putting them in prison for so many years, so that they were insulated from the rubbish of the dying decades of Leninism. Certainly, Mandela and the others emerged with an excellent understanding of what could and could not be done. Rather against expectations, it seems as if a democratic multiracial society is indeed emerging.

Adam Smith (Part 3)

The World Turned Upside Down

Madawc Williams

The Wealth of Nations was published in 1776, at the same time as British soldiers in North America were singing **The World turned upside down**. Of the two, the song was the more accurate description of how society was actually developing. It was sung by British soldiers during their war against the rebellious American colonists, a war that was provoked by taxes that Smith thoroughly approved of. Both Smith and the 'Red-coats' saw the War of Independence as an irrational breach of the natural order - the natural order being the one that suited them, with many traditions uprooted but many other traditions considered to be natural and unchangeable.

Smith was solidly against the rebellious Americans, a fact that his biographers have carefully hushed up. Yet Smith's works were destined to be popular in newly independent United States of America. Even though the man himself was against them, his principles logically led to what they were doing. **The Wealth of Nations** describes the state as a parasite on productive labour. Smith was not inclined to take this principle very far. But others did this for him.

Smith had defined all private and profit-based activities as 'productive', and everything else as 'unproductive'. The logic of all this was that 'unproductive' state activities should be trimmed to the absolute minimum. Better still, they should be abolished completely. The whole world should be turned into a mass of separate households, each one following its own best interests with no wider authority that could be imposed upon them. This was the actual view of many radicals - a viewpoint that was given its highest expression by William Godwin. But Smith was no radical. This son of a customs officer supported Lord North and the tax gatherers against the tax protesters of the North America

Trade may enrich a society, but it will also disrupt it. Historically, most ruling classes were well aware of this. They

tended to put limits on the accumulation of wealth. Partly their interest was selfish - trade could be expected to raise new men who would overthrow their power. But it was also idealistic - civilisation *as they knew it* could not be preserved unless trade was very strictly regulated and controlled. And indeed, this wisdom did enable various world civilisations to more or less preserve themselves across the centuries. The British ruling class was very exceptional in *not* clamping down on new productive forces when their disruptive power became obvious.

Arguably, the enlightened aristocracy of 18th century Britain achieved what they wanted. They extended their own sceptical, sexually tolerant, scientifically and intellectually open way of life to the rest of British society. Indeed, they and others were to extend it to a great deal of the rest of the world. Perhaps they would have been pleased by what they produced, perhaps not. Certainly, the actual history of the world since the rise of free capitalism suggests that all of the things that Smith called 'unproductive' are in fact very productive indeed. Art, culture, scholasticism and the public administration are the means by which a complex society reproduces itself. Cut back on them, or allow too much scope to other forces, and the society will simply mutate into something quite new. This is a process that has been happening for a couple of centuries now. It has accelerated dramatically under Thatcher, even though the silly bitch believed she was doing the very opposite by her free-market anti-state 'reforms'.

Smith's Models

The Sumerians invented the first proper urban civilisation, some six thousand years ago. There were cities even before then. But the Sumerians created a pattern of sophisticated urban society that was the basic model for almost all subsequent civilisations right up until the Industrial Revolution. The use of first bronze and then iron only produced a stronger and more sophisticated version of the same

thing. Rome was merely Ur or Babylon writ large. Europe in the 18th century considered that it had some way to go before it could match the sophistication of ancient Rome. Gibbon saw the middle years of the Roman Empire as an optimum that no one since had been able to match. Adam Smith was also an admirer of ancient Rome. Indeed the educated classes of the 18th century liked to describe their age as 'Augustan', harking back to epoch of peace and sophisticated Roman paganism that had existed under the Emperor Augustus.

Smith also had another model for what society *ought* to be - Imperial China. China was the best and most sophisticated of all the heirs of the Sumerians. China under the Han dynasty was as large and strong as the Roman Empire, which never extended any further east than Mesopotamia, modern Iraq. And while Rome fell, China was able to reconstitute itself after each period of downfall or conquest. Smith admired China for its wealth, which he reckoned to be greater than that of Europe in his day. But he reckoned that Europe could do even better, since China was largely static while Europe was progressive. He never seems to have considered whether this progress would introduce a fundamentally new form of society. The Industrial Revolution is normally reckoned to have begun in the 1760s. James Watt was working right next to him at Glasgow University. The pioneering chemist and physicist Joseph Black was a good friend to both Watt and Adam Smith. And yet Smith never made the least mention of Watt's pioneering work with steam. He had no interest in work that was to turn the world upside down, far more thoroughly than even the American Revolution.

History suggests that states are stabilised by artisans, by small peasants and by bureaucrats. China achieved an optimal mix of these elements, and maintained a constant civilisation across two and a half millennia. In Britain, things were never as stable as that. And the industrial

revolution meant the mass destruction of artisans and small peasants, which occurred at the same time as the British Civil Service was improving itself with ideas borrowed from China.

Smith and his followers make the dogmatic assumption that both free trade and small property are inherent in human nature. Experience suggests otherwise. Both of them are social constructs, and they are not even very much in harmony with each other. Factory production can produce cheaper and better goods than any artisan could manage. Department stores and supermarkets will automatically destroy small shops, particularly when they are free to offer lower prices that their smaller competitors cannot match. The European middle classes (bourgeoisie) grew to strength with restricted, national and state-regulated markets. Market freedom meant freedom for the lucky few to grow rich while putting the rest of them out of business. Market freedoms were bound to create a world in which the vast majority of the population are dependent on a wage or salary.

Now this was something that the world had never seen before. Marx correctly concluded that the 'abnormal' class pattern in Britain was in the process of spreading to the rest of the world. It would do this, simply because it had made Britain a much wealthier nation than rivals who were trying to hold on to their own particular way of life. Marx correctly saw that the old order was changing. His expectation was that this would quickly lead to workers rebelling and establishing communist collectivism - a notion that had been around at least since Robert Owen in the first quarter of the 19th century.

Marx was quite correct to assume that the traditional middle class (bourgeoisie) would fail to retain its own power. What he did not consider was whether it might be possible for a society to carry on with capitalism after discarding its middle class. He did not foresee what we have now, a society resting itself on a stratum of rich people, a much wider mainstream of employees and a poor and lumpen underclass. The possibility did not occur to Marx. But it did not occur to anyone else either. You had visions like that of

Well's *The Sleeper Awakes*, a class of super-rich capitalists destroying the middle classes and enslaving the workers. But who on earth could have expected capitalism to destroy the middle classes and *elevate* the workers? Such a development did not seem to be in the nature of the beast. And to a large degree, it only came into being because of the very formidable world-wide challenge to capitalism that was being posed by communist collectivism.

Appearance & Reality

The present collapse of numerous Marxist states does not vindicate Adam Smith. Smith's vision of capitalism supposes that small-scale private property will remain the norm. He noticed the beginning of the factory system - as in his famous example of pin manufacturing, which had been broken down to eighteen essentially mindless and mechanical stages, each of which would be performed by wage labourers. But it never occurred to him that there might be problems in reducing people to such a state. Nor have his New Right followers faced up to the matter. They write as if society consisted of a seething mass of separate families trading goods and services with each other. Never mind what actually exists. Never dare to turn your eyes towards the real world and its actual problems. Construct fantasies about the world as gigantic petty-bourgeois suburb, and then denounce the existing world for being what it actually is.

One person who did realise that there was a problem was Nietzsche. Oddly enough, he and Marx never seem to have taken the least notice of each other's existence. Nietzsche had a very different starting point from Marx. He had only a very hazy idea of what the working class was like. But he was well able to see that the wind was being sown and that a whirlwind must follow:

Nietzsche "wrote a paragraph on 'The labour question' in *The Twilight Of The Idols*, which only expresses puzzlement: 'The stupidity... is that there is a labour question at all... I simply cannot see what one proposes to do with the European worker now that one has made a question of him. He is far too well off not to ask for more and more, not to ask for more immodestly. In the end he has numbers

on his side. The hope is gone forever that a modest and self-sufficient kind of man, a Chinese type, might here develop as a class: there would have been reason in that... But what was done? Everything to nip in the bud even the precondition for this: the instinct by virtue of which the worker becomes possible as a class, possible in his own eyes, have been destroyed through and through with the most irresponsible thoughtlessness. The worker was qualified for military service, granted the right to organise and to vote. Is it any wonder that the worker today experiences his own existence as an injustice? But what is wanted? I ask once more. If one wants the end, one must also want the means: if one wants slaves, then one is a fool if one educates them to be masters'.

This passage has at least the virtue of recognising that the modern proletariat differed from all previous lower classes in that it would be unlikely to reproduce itself contentedly, (or, if not contentedly, resignedly), on an indefinite basis." (From the Introduction to Jack London's *How I Became a Socialist*, B&ICO pamphlet of 1977, p 11.)

Adam Smith never asked questions like that. He assumed that a progressive oligarchy could undermine the whole economic basis of the society, uproot traditional structures within which people had lived for centuries, and yet not create a whole ferment of social change. I showed in an earlier article (L&TUR No. 32) how puzzled he was by the first instalment of that social change, the American Revolution. For him, the establishment of the world's first modern republic was a puzzling, objectionable and thoroughly irrational departure from 'the norm'.

For Smith and his admirers, the norm is themselves. Everything that suits them must be a step towards a rational normality. On this basis, Thatcher and Co. have uprooted much of what was still worthwhile and admirable in Britain. No doubt they did sincerely think that they were preserving it. No doubt they will regard all subsequent breakdowns as someone else's fault. Smith's notions have very neatly misled them, as he misled himself.

Productive and unproductive work

"There is one sort of labour which adds to the value of the subject upon which it

is bestowed: There is another which has no such effect. The former, as it produces a value, may be called productive; the latter, unproductive labour. Thus the labour of a manufacturer [worker] adds, generally, to the value of the materials which he works upon, that of his own maintenance, and of his master's profit. The labour of a menial servant, on the contrary, adds to the value of nothing...

"A man grows rich by employing a mass of manufacturers [workers]: he grows poor by maintaining a multitude of menial servants..." (The Wealth of Nations, Book II, Chapter III., III.iv.20. Henceforth I'll use the abbreviation TWON for Smith's book.) Note that when Smith says 'manufacturer', he means it literally, a person who physically manufactures some item. Only later did it become a term used for employers of labour in a manufacturing industry - a shift in meaning that is of some significance in itself. The organiser of the work has displaced the actual producer. Ordinary human life comes to be seen as only a trivial example of the social power of capital and ownership.

What do the terms 'productive' and 'unproductive' mean? Broadly, they cast a slur on all activities that do not make money for a private owner or capitalist. If he had called them 'unprofitable', no one would have disagreed, but equally no one would have been impressed. Most human activities are not supposed to be profit-making. Yet had he tried calling them 'useless', he would not have been believed. Some would be willing to call an opera-singer useless. Some might say the same about a soldier or a priest. But others would have fiercely resented such an implication. So Smith was clever enough to use a vague middling term, 'unproductive'. It taints some of the most basic and necessary forms of social activity with an aura of parasitism. And it casts a mantle of respectability over activities that are pretty much parasitical. That is the real significance of Adam Smith's language.

Most people know that Karl Marx took over the Labour Theory of Value from Adam Smith. But behind the Labour Theory of Value lies the concept of productive or unproductive labour. By this notion, the man who makes a piano

may be considered a productive labourer, and so too perhaps is the man who tunes the piano. But the man who plays the piano is not a productive labourer.

This is not just an abstract point of theory. Much of the logic and practice of Thatcherism seems to be based on this particular notion of Adam Smith. Nothing else would account for the privatisation of an efficient and inoffensive public services - water supply, for instance. From the Adam Smith/New Right viewpoint, a service that merely supplies good clean water cannot possibly be productive. It is only productive when it sees water as a means to an end, the end being to make a large profit out of its customers.

"The labour of some of the most respectable orders of society is, like that of menial servants, unproductive of any value... The sovereign, for example, with all the officers of both justice and war who serve under him, the whole army and navy, are unproductive labourers. They are the servants of the public, and are maintained by a part of the annual produce of the industry of other people. Their service, how honourable, how useful or how necessary soever, produces nothing for which an equal quantity of service can afterwards be procured. The protection, security, and defence of the commonwealth, the effect of their labour for this year, will not purchase its protection, security and defence, for the year to come." (Ibid).

Soldiers and judges depend on the rest of society to support them, but so do pin makers or coal miners. Only subsistence farmers are truly independent - and they would not be *productive*, by Adam Smith's definition. Everyone else depends on the rest of society to support their own particular activity, be it bee-keeping, bridge-building or cheese-making. Soldiers and judges are normally supported out of taxes, because it has been found unwise to let them pursue their professions on a profit-making basis. Pins or coal may be freely sold on an open market without any damage to the morals of pin makers or colliers.

"... cooks and waiters in a public hotel are productive labourers, in so far as their labour is transformed into capital for the proprietor of the hotel. These

same persons are unproductive labourers as menial servants, inasmuch as I do not make capital out of their services, but spend revenues on them." (Theories of Surplus Value (Volume IV of Capital), Part 1, p 159. Progress Publishing edition 1978. Henceforth referred to as SV.)

Marx is one of the few commentators on Adam Smith who talks any sort of sense, who clarifies rather than confuses his ideas. The example of the productive or unproductive piano is his (Ibid, p 160). But it seems to me that Marx was well aware that the difference is only meaningful within a capitalist society. It is not seen as a law of nature or a necessity of human life. Marx kept in mind what Smith chose to ignore: the many possible forms of social organisation.

By Smith's reckoning, manufacturing china dogs is a productive occupation, but healing the sick is not. Nor is keeping a lighthouse that saves both lives and wealth on some dangerous stretch of coast. Talking about unproductive labour, he says: *"In the same class must be ranked, both some of the gravest and most important, and some of the most frivolous professions: churchmen, lawyers, physicians, men of letters of all kinds; players, buffoons, musicians, opera-singers, opera dancers &c."* (TWON, Ibid).

This is totally senseless. Depending on your personal beliefs, you might wish to be rid of churchmen, and perhaps also lawyers. But what about physicians, doctors, people who save lives and reduce pain? But *"though this be madness, yet there is method in it"*. Unlike Hamlet, Smith believed all the mad things you find him saying, and he was no fool. It needed the cleverness of Marx to clarify the matter:

"Productive and unproductive labour is here throughout conceived from the standpoint of the possessor of money, from the standpoint of the capitalist, not from that of the workman; hence the nonsense written by Ganih etc., who have so little understanding of the matter that they raise the question whether the labour or service or function of the prostitute, flunky, etc., brings in returns.

"A writer is a productive labourer not in

so far as he produces ideas, but in so far as he enriches the publisher who publishes his works, or if he is a wage-labourer for a capitalist.

"The use-value of the commodity in which the labour of a productive worker is embodied may be of the most futile kind. The material characteristics are in no way linked with its nature which on the contrary is only the expression of a definite social relation of production. It is a definition of labour which is derived not from its content or its results, but from its particular social form." (SV p158.)

Marx also recognises that Adam Smith uses two different definitions of productive and unproductive labour. One of them is absurd even from a capitalist point of view. The first definition is the one quoted above - productive labour is labour that leads to the accumulation of capital. *"The second, wrong conception of productive labour which Smith develops is so interwoven with the correct one that the two follow each other in rapid succession in the same passage."* (SV p155.)

Smith's second notion is that labour is only productive if it produces a commodity, a material item that may be sold in the market. Immediately following on from the item about opera singers, he says *"The labour of the meanest of these has a certain value, regulated by the very same principle which regulates that of every other sort of labour; and that of the noblest and most useful, produces nothing which could afterwards purchase or procure an equal quantity of labour. Like the declamation of the actor, the harangue of the orator, or the tune of the musician, the work of all of them perishes in the very instant of its production."* (TWN, Ibid).

If some soldiers dig up, peel and cook a few hundredweight of potatoes for their regiment to eat, this is not productive labour. But if they steal some of the potatoes and sell them to local housewives, this could be considered productive labour, in as much as the potatoes have become commodities. Soldiers of the former Red Army who sell their weapons on the black market have thereby become productive workers, as Adam Smith defines it, virtuous because they

are helping to accumulate capital, and never mind what the weapons are then used for.

One could go further. A striptease artist can not be considered a productive labourer, since no commodity is produced by her work, even though the strip-club owner may be accumulating capital very nicely. But if someone takes photos of her act, and sells these photos for money, her undressing is thereby dignified with the status of productive labour.

Obviously Adam Smith's second definition is rubbish. By his reckoning, a portrait painter is a productive labourer, but a musician is not. The painter produces a material object that can be sold: the work of the musician *"perishes in the very instant of its production"*. But modern technology would allow the performance to be recorded and the recording sold to the public, which would make the musician a productive worker, albeit just for the one performance. Whereas a court painter on a fixed salary is merely a servant, unproductive, even if he should be Raphael or Leonardo.

It's been observed that a sculptor like Michelangelo does not so much make a statue as remove some stone that happened to be round the finished work. Thus the creation of his statue of David was not productive work. Painting the Sistine Chapel arguably was, in as much as he added something to the building that would have increased its market value. If this view holds, he would have been no less productive if someone had employed him to whitewash the walls of Rome. Painting his statue of David a nice flesh pink would also count as productive work - and oddly enough, this is exactly what the Ancient Greeks would have expected him to do with it. All Greek statues were originally painted, but the paint wore off during the neglect of the Dark Ages, giving the men of the Renaissance a totally new idea of what constituted Great Art.

Smith's second definition of productive work is seldom taken seriously. Shopkeepers and lorry drivers are normally classed as productive labourers, even though they do no more than distribute what others have produced. A factory might produce the best and cheapest washing machines in the world, and still

go bankrupt if the only way to purchase one was for each individual buyer to go to the factory gates, cash and carry. Let's get back to Smith's first definition, that labour is unproductive when it does not result in the accumulation of capital.

Smith's definitions of 'unproductive labour' are very selective. He believed that landlords were doing working farmers a favour by taking part of their incomes as rent. Ricardo was later to redefine landlords as an unproductive class, and there are many who would see stockbrokers like Ricardo as utterly unproductive. All of these views are essentially different ideas of what society should be, dressed up in the language of objective analysis.

Private good, public bad

"But though the profusion of government must, undoubtedly, have retarded the natural progress of England towards wealth and improvement it has not been much able to stop it. The annual produce of its land and labour is, undoubtedly, much greater at present than it was either at the restoration or at the revolution. The capital, therefore, annually employed in cultivating this land, and in maintaining this labour, must likewise be much greater." (TWN, II.iii.36).

The whole point of Smith's separation of productive and unproductive labour is to make the state appear as a parasite on the rich, while denying that the rich could ever be parasites on the rest of society. *"Great nations are never impoverished by private, though they sometimes are by public prodigality and misconduct. The whole, or almost the whole public revenue, is in most countries employed in maintaining unproductive hands. Such are the people who compose a numerous and splendid court, a great ecclesiastical establishment, great fleets and armies, which in time of peace produce nothing, and in time of war acquire nothing which can compensate the expense of maintaining them..."* (Ibid, II.iii.30).

This was very much the logic of the rebels of the North American colonies - they objected to being taxed to support an unproductive state, and wanted cheap and minimal government. The North Americans conveniently ignored the fact that they would not have existed without

the British state, which put a lot of effort into establishing colonies that were initially very unprofitable. Also they would not have survived as free societies had not Britain defeated France in a series of wars in the 18th century, culminating in the 'wonderful year' of 1759.

Smith says in Book II of **The Wealth of Nations** that the government is a mere dead weight on productive capitalist society. Yet elsewhere he shows himself perfectly aware that 18th century Britain would have been an utterly different place, and much less to his taste, if it had not had a powerful and successful state machine and far-flung empire established by military means. In Book V, the portion of **The Wealth of Nations** that is suppressed in all commonly available editions, he shows great enthusiasm for the future *state-led* development of Britain's North American colonies. He supports the principle of taxing them, and he supported the government's war against the rebellion that this taxation provoked.

There are major contradictions in Smith's position. In Book Four, he says: "*To found a great empire for the sole purpose of raising up a people of customers may at first sight appear a project fit only for a nation of shopkeepers.*" Smith used this phrase at a time when Napoleon Bonaparte was still a small child, and shows a better understanding of it. Founding a great empire "*is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation whose government is influenced by shopkeepers.*" (Ibid, IV.vii.c). Smith's preference was for a world governed by free trade. But without the power of the British state, there would have been no chance whatsoever of such a world coming into existence. He says later (TWON IV.vii.c) that Britain might actually benefit from losing its colonial possessions. Yet in so far as he had any influence on the matter, he was a supporter of George III against George Washington.

Marx was probably right when he saw Smith as simply reflecting the viewpoint of the industrial capitalists. "*In so far as those 'unproductive labourers' do not produce entertainments, so that their purchase entirely depends on how the agent of production cares to spend his wages or his profit - in so far on the*

contrary as they are necessary or make themselves necessary because of infirmities (like doctors), or spiritual weakness (like parsons), or because of the conflict between private interests and national interests (like statesmen, all lawyers, police and soldiers) they are regarded by Adam Smith, as by the the industrial capitalists themselves and the working class, as incidental expenses of production which are therefore to be cut down to the most indispensable minimum and provided as cheaply as possible." (SV, p175.)

Note that Marx says industrial capitalists *and the working class*. For a moment, he concedes that industrial workers may accept their role of workers within an industry that is owned and run by other people, and concentrate on the common interests of the classes created by modern industry. Even in the **Communist Manifesto**, he says "*The other classes decay and finally disappear in the face of modern industry; the proletariat is its special and essential product.*" This much-neglected remark leaves open the possibility of the working class accepting Adam Smith's economics as a sensible option on a long-term basis. This was pretty much what happened in the 1980s. Fortunately the New Right made a hash of their period of power, seeing it as an inevitable 'return to the normal'. They carried on in a highly arrogant pattern, rejecting everything that had been learned since the 1930s, and landing themselves in the worst economic mess since the 1930s. Naturally, they do not see it as their fault - nothing bad can ever be their responsibility.

Both Britain and America seem to be gradually reverting to a more sensible social democratic pattern. But other possibilities remain open, and socialists must be on guard against them. There must be no repetition of the 1970s, when socialists concentrated on fighting each other, supposing it to be impossible for class conscious workers to be anything other than socialist.

Thatcherism took a simple and simple-minded view of the matter. A view that was shared, not only by Yuppies and businessmen, but also by a large section of the working class. All state expenditure was bad, all true wealth came from selling

things at a profit. 'Private good, public bad' - that was the bleat of the Thatcherite sheep, underlying all the flash and fancy formulas of the New Right 'thinkers'.

Ten years of such policies have given us the worst economic crisis since the 1930s, and a price see-saw that has left many home owners trapped by debt. The end of the decade has seen the decimation of the entrepreneurs and small businesses that were supposed to make Britain great again. Thatcher of course considers that other people were to blame, that her own conduct was absolutely noble and perfect. That sort of woman will always be quite sure that it's someone else's fault. Lawson spoiled everything by trying to shadow the Deutchmark. Never mind the vast accumulation of credit card debt that happened under Thatcher the Strict Monetarist. Never mind the Stock market crash of 1987.

Thatcherism also failed to keep faith with those in the working class who were unwise enough to take her at her word. For instance the **Union of Democratic Miners** was quite willing to accept the viewpoint that Marx briefly referred to in his study of Adam Smith. Fortunately for the future of socialism, Mrs Thatcher was a passionate believer in another side of Smith's thought, the dogma that the market always knows best. She therefore did nothing to prevent the break-up of the social alliance that she had created. Though the row over pit closures has surfaced under the administration of John Major, the essential step was the 'dash for gas', the creation of a surplus of non-coal generating capacity, and this was done under Thatcher.

The New Right has failed. Unfortunately there are no immediate signs of anything taking its place. Taxes for useful social purposes are still seen as an unfair burden on 'productive' industry. Until people start to understand that taxes are part of the price of a civilised society, the society will continue to unravel. There could even be a total collapse, leaving the survivors free to enjoy a tax-free existence amidst the ruins of civilisation.

New Consensus, Democracy Now and Unionism

In our last issue we published a letter from Gary Kent, Secretary of New Consensus, denying that there had been a virtual merger of New Consensus and Kate Hoey's Unionist project called Democracy Now. Kent is research assistant to Harry Barnes M.P., one of the two MPs active in the British section of New Consensus. It was evident at last year's Labour Party Conference that Kent was one of the inner circle of the Democracy Now group. Harry Barnes was on the platform of the Campaign for Labour Representation fringe meeting at Blackpool but a few months later he became one of three MPs who put their names to Democracy Now circulars, the other two being Hoey and Nick Raynsford. The circumstantial evidence warranted our statement about the virtual merger. It tallied with information given to us by members of New Consensus that in effect the two groups had merged and were run by Gary Kent. (The General Secretary of Democracy Now, James Winston, was unlikely to be the leading element in the combination.)

Since our last issue further information has come to light. On 29th June the senior BBC Radio 4 political correspondent, Nicholas Jones, reported that Democracy Now had been formed "to challenge Labour's long established policy of seeking a united Ireland." An enquiry to the BBC elicited the information that this report was based on a communication from Gary Kent on behalf of Democracy Now.

So it seems to be very much a case of Tweedledum and Tweedledee in the relationship between Consensus Now and New Democracy.

New Consensus was formed by the Official IRA as a political arm of its feud with the Provos. The IRA split in January 1970 as a consequence of the events of August 1969 in Belfast. The leadership of the IRA became Marxist about 1965 when the Republican movement was in the doldrums following the petering out of the 1956 campaign in the North. The new Marxist leadership was headed by Roy Johnston of the British Communist Party. Johnston used every opportunity to expel people who held obstinately to the traditional Republican position. The movement was taught a new convoluted ideology and was progressively disarmed. But in the great moment of crisis, in August 1969, it reverted to a traditional rhetoric which it was no longer able to make good in action. During the demonstrations of mid-August 1969 the Chief of Staff of the IRA issued a press statement saying that he had given marching orders to his Belfast Brigade. This amounted to a declaration of war. It led to the invasion of the Falls from the Shankill which was the start of the present troubles. The people of the Shankill could not have been expected to know that the Belfast Brigade of the IRA was a figment of the imagination. They thought that the demonstrations in the Falls were the preliminary moves in a Republican

insurrection and they acted accordingly.

The Loyalist attack on the Falls was described as a pogrom. It actually was an onslaught on a helpless population. But the attackers thought they were attacking a military stronghold which was about to launch an insurrection.

The experience of those few days changed everything. The Marxist IRA, which had provoked the pogrom and then left the Falls undefended, was discredited. A defence of the Falls was extemporised by others, some of whom during the following months formed the Provisional IRA and others of whom struck out on a different line as the B&ICO.

In January 1970 the very Republican leaders who had caused so much trouble in the North by empty militarist posturing, won a vote at the Sinn Fein Ard Fheis on the principle of taking seats in Dail Eireann. The very large minority which had opposed the motion withdrew from the organisation and formed Provisional Sinn Fein.

The "Official" Republicans could not make up their minds either to revert to physical force Republicanism or to make a clean break with it. They produced a weird concoction of Marxism and ultra-nationalism. They surrounded themselves with a dense ideological fog through which they saw many strange shapes. When the Provos went to war, so did the Officials. But the Officials claimed to be fighting an entirely different war from the Provos.

The Provos lived in the real world, such as it is, and their aims made rational sense in ordinary terms. The Officials, while claiming the apostolic succession of genuine Republicanism, lived in the advanced Marxist ideology of the time, and the real world was inconceivable to them. Their attempts to fight a war in the world postulated by their ideology

resulted in acts of terror which might well be described as lunatic and irrational.

After a few years they gave up the attempt to rival the Provos on the battlefield in war against the British Army. They declared a ceasefire and set up as critics of the Provos for being at war. Whereas previously the Provos had been criticised for fighting the wrong war, the criticism now became implicitly pacifist. As the Official IRA began to evolve into the Workers' Party, and to acquire very considerable influence in the media, it tried to delete from the historical record its own terrorist activity in the early seventies. But all the while the Official IRA continued to exist, being active chiefly in bank robberies and harassment of the Provos in a few localities in the North.

The mental medium of Sinn Fein, The Workers' Party during the later seventies and the eighties was one of thoroughgoing hypocrisy and duplicity. Its posturing against the Provos gave it the appearance of being a pacifist socialist party committed to advance through social reform. Its external orientation was with the old regimes in Eastern Europe, and it had particularly close relations with East Germany and Ceaucescu's Rumania. It was accorded equal status with the Communist Party of Ireland by Moscow. And behind its public appearance as a political party was the Official IRA.

Despite its comprehensive duplicity it became a significant political force in the Republic. But it was strategically disabled by its obsessive hostility towards Fianna Fail, which it held responsible for the foundation of the Provos in the winter of 1969/70. (The real responsibility lay with itself.) And then it suffered a major setback when its East European allies collapsed, and when the Kremlin went Thatcherite and opened its account books to the world.

It tried last year to extricate itself

from the morass by a comprehensive reorganisation and reorientation, but it split in the process. And then in the General Election in the Republic Labour made the sweeping gains which it seemed only a few years ago the Workers' Party would make.

New Consensus was floated by the Workers' Party when things were going well for it. It was an apolitical gimmick, exploiting the urge for peace while taking no account of the fact that the abnormal mode of government in the North was conducive to war. Its chief activity was the running of "Peace Trains". Many eminent citizens rode up and down on the Peace Trains, and were interviewed and photographed, but for all the effect it had on the war they might as well have stayed at home.

The British section of New Consensus was run by the Dublin leadership prior to the split in the Workers' Party last year. It became organisationally independent as a by-product of the split. Having lost its polar star, and seeking a new orientation, it mixed in with Democracy Now—though during the years when the Workers' Party was in the ascendant it had opposed party organisation in Northern Ireland.

But it retains much of the Workers' Party view of Irish affairs. For example, earlier this year it put on a counter-demonstration against the Bloody Sunday commemoration in London. (Bloody Sunday was the Sunday early in 1972 when the British Army fired into a Civil Rights demonstration in Derry.)

The Workers' Party has never made any sense in Northern Ireland since August 1969. Despite the lavish financing of its propaganda it has failed to make any headway. At the recent local government elections the Council of Labour candidates, though operating on a shoestring, came in ahead of them everywhere.

The activity of Provo Sinn Fein is relevant to the social experience of

life in the Catholic community. The activity of The Workers' Party/Democratic Left is not. That fact has galled the Workers' Party and has led it in Dublin and London into would-be demonstrations against the Provos which are in fact assertions of hostility towards the Catholic community—such as the counter-demonstration against the Bloody Sunday commemoration.

(The Secretary of Democracy Now, James Winston, was prominent in that counter-demonstration.)

The last great display put on by New Consensus in Dublin was the great protest demonstration against the death of a child in the Warrington bombing. The BBC ensured that it was given world-wide coverage. It presented itself as simple humanitarian concern about the deaths of children caused by the men of violence, and detestation of the ogres responsible for it. But when a group of women from the North, whose children had been killed by men of violence, sought to take part in the demonstration, they were strong-armed out of it by bouncers and were booed by New Consensus cheerleaders—wrong children and wrong men of violence!

That peace demonstration was a television event. It possibly made respectable people all around the world feel good. But in Ireland it was counter-productive. It provoked people around the country to ask why English children were so much more valuable than Catholic children in the North of Ireland.

The Corkman on April 2nd carried an article entitled, "*Every Child Victim Deserves Our Grief*". It said:

"A total of 121 children have been killed in the North since 1969 while countless others have been injured... In 1972, the worst year, 30 children under the age of 16 died violently and as horribly as the Warrington victims.

"Let me ask this. Where were the plane loads of flowers when the parents of 11 year old Patrick Rooney gathered up his pathetic remains after his head had been blown open by a high calibre bullet that came through the walls of his Divis Flats home in 1969?"

"Or for that matter, where were the floral tributes and the teddy bears when Marie McConomy found the body of her 11 year old son Stephen lying in a Derry street after half his head had been blown away by a plastic bullet fired by a British soldier..."

**Letter on
Ramsey MacDonald**

With regard to your reprint of an article by R. MacDonald (L&TUR No. 34 & 35), when he equates the antagonism between landlord and capitalist with the antagonism between workmen and capitalists, do you go along with this?

The fact that sections of the working class here and there, and from time to time, may favour the status quo, or consider their interests to be best served by the capitalist ownership of the means of production, in no way negates Marx's position that the conflict between Labour and Capital is irreconcilable.

Even if the entire working class were to embrace the view that their interests were best served by capitalism, and to do so for an indefinite period of time, it still would not negate Marx's view that the conflict between labour and capital is irreconcilable. The other conflicts to which MacDonald refers are of course reconcilable.

Correct me if I am wrong. But if I am right how do you justify publishing an article such as this without a correction? To do so is bound to leave readers such as myself wondering if somebody is intent on creating the same kind of confusion in the labour movement of today, as R. MacDonald appears to have been bent on in his day.

An awareness that militant class war on its own can achieve little should develop in the course of the war itself. Why it did not is a question I will return to. MacDonald writes as if he believed that it was impossible for tradesmen and workers generally to learn from experience the limitations of militant struggle. He does not address the question - why they did not learn. Again, I will come back to that. He also seems to hold the view that the class war was something that was launched by the workers out of sheer pigheadedness.

Workmen did not create the conditions in which they were forced to work. If they had had a say in creating the conditions in which they work they could be accused of being very short-sighted in not legislating to protect their own inter-

"I condemn the atrocity at Warrington, but I also condemn the hypocrisy that has sparked middle-class Ireland into convulsions of grief. Where is the justice or the morality in mourning two children and ignoring the deaths of 121 others..."

"I have walked with too many coffins to be lectured by Mrs. McHugh or anybody else on the art of grieving or the politics of mourning..."

Accompanying the article was the list of 121 children killed in Northern Ireland, which we reproduce here.

ests. But they did not have a say, and all they could do was react, more or less blindly, to the position they found themselves in. Militant class war, with all its limitations, was in the circumstances inevitable. Why, in the course of time, did an awareness of the limitations of militancy not develop and lead to a higher stage of awareness? This is the crucial question that needs to be looked into. Can anyone imagine that question being tackled without reference to the role of the middle class?

MacDonald in the earlier part of the chapter complain of socialists neglecting to consider conflicts within capitalism other than the one between labour and capital. He himself manages to discuss the limitations of militancy without a mention of the role the middle class played in perpetuating these same limitations. In your earlier extract he also warns of the danger of militant class war causing the labour movement to revert to a form of individualism, and he manages to do so without any reference to the middle class. Yet if individualism is rife anywhere it is surely in the ranks of the middle class. Also, it is worth noting that, of the three main classes, the only one with a vested interest in the status quo is the middle class. Yet this is the class which, in the main, supplies us with our 'revolutionaries' and our 'theorists'. God help us.

The big mistake the workers made was in allowing the middle class to monopolise the promotion of working class politics. We were expecting a section of a class, whose very existence depended on maintaining the class system, to develop the politics for a class whose only hope lies in abolishing that class system. Unless ideas for fundamental change can develop, directly out of the working class, the only change that can take place is change determined by the capitalist class.

It is possible for members of the middle class to find themselves catapulted, for a variety of reasons, into the ranks of the working class, and some of them might genuinely take up the cause of the working class. Where that happens those concerned would have become working class. That, of course, would also be the

case with individuals who came over to the working class. Something like that could well be happening at the moment.

It goes without saying that the working class should welcome into its ranks people with a genuine desire to help them promote their cause, and to assist them in developing their awareness of the problems they will have to come to terms with. But experience tells us that we cannot place political leadership in the hands of the middle class and hope that they will lead us on the road to socialism. To reform, useful reform? Yes. But socialism means changing the system, and for reasons just mentioned, that's not on.

"Not only, therefore, is it incumbent upon socialism to recognise the existence of an intellectual motive, it must place that motive above the economic, because without it the economic struggle would be devoid of any constructive value, it would be a mere tug-of-war, it would never bring us socialism". During my time in the labour movement I have come across a few, a tiny few, calling themselves socialists would would disagree with the sentiments expressed here. Recognising the existence of the problem was not difficult, great numbers of socialists were aware of it in my experience. The difficulty lies in knowing what to do about it.

R. MacDonald and others since, could have done an invaluable service to the movement, by an honest attempt to explore the obstacles faced by those who attempted to raise the consciousness of working people, and to indicate where the main opposition to such efforts came from.

I would like to mention one particular experience I had a long time ago. I do so because it is relevant to the points I am making here, and also because, although it is an important event in the history of working class politics it has never, to my knowledge, been mentioned in working class literature.

At the height of the row in the old E.T.U. (Electricians, then controlled by Communists) about ballot rigging I was a member of the North London Advisory Committee. Membership was restricted

to those who were members of both the C.P. and the E.T.U. Some of us who had been opposed to ballot-rigging for a long time and had been fighting against it through the union branches and C.P. branches managed to get a special meeting of the advisory committee convened. Out of a membership of just over one hundred a total of sixty-two turned up for the meeting. I was asked to move the following motion - that a responsible body of the C.P. be set up to investigate the undemocratic behaviour of certain members of the C.P. within the E.T.U. After a lot of discussion and some argument that motion was approved with no votes against and one abstention.

A good example of working class awareness, wouldn't you say? Who can say to what heights the ensuing discussion would have gone if the C.P. leadership had acted vigorously on this motion. What did happen? Very briefly and without going into great detail, what happened was this - the very next day six members of the advisory committee (who did not attend the official properly convened meeting at which the motion was passed) met in a back room somewhere and declared the advisory committee disbanded. They then proceeded to elect themselves the new advisory committee. They were recognised by the C.P. leadership.

It is not hard to imagine the effect this had on those workers who had come together at a democratically convened meeting and attempted again, in a democratic fashion, to clean out some of the filth that was masquerading in their movement as communists. A few of us however, continued to battle on within the C.P. Mark Young and myself visited many C.P. branches in North London. But C.P. branches in London at that time, were totally dominated by middle class individuals and needless to say, when they were informed they did not respond in the same way that the working class communists did earlier. They in fact refused to lift a finger.

Finally, the argument put forward by R. MacDonald could be used equally well to promote the objective of two opposing platforms. On the one hand

Little Innocents

- THE following are the names of the children, aged 16 or under, who have been killed in Northern Ireland since 1969.
- 1969
Patrick Rooney 9
Gerald McAuley 15
Desmond Healy 9
James O'Hagan 16
Angela Gallagher 18 months
Annette McGivigan 14
Rose Curry 15
Maire McGurt 11
James Cronin 13
Tracy Munn 2
Colin Nicholl 7 months
Martin McHane 16
James McColum 16
• 1972
Michael Sloan 16
Kevin McIlhinney 16
David McAuley 14
Roslenn Gavin 8
Michael McCree 15
Martha Campbell 13
Harold Morris 15
Maeus Dorey 15
Joan Sott 12
Marian Brown 16
John J. Dougal 16
Margaret Gargan 13
David McCleughan 15
Alan Jack 5 months
William Kernach 16
Cuthbert 15
Stephen Parker 14
Kathleen Eakie 9
Daniel Hegarty 15
Patrick J. Conolly 15
Alexander Moreshead 16
James Docherry 4
William Warnock 15
 - 1974
Thomas Donaghy 16
Michael McCreech 15
Michelle Osborne 9
Joe McGuinness 13
John McDavid 16
Michael G. Meehan 16
John McDavid 16
 - 1975
Patrick Toner 7
Edward Wilson 16
Robert Allison 15
Michelle O'Connor 3
Francis Bradley 16
John P. Robson 16
Siobhan McCabe 4
Patrick Crawford 15
James Templeton 15
Stephen Geddis 10
Eileen Kelly 6
Michael Donnelly 12
• 1976
Gerard Rafferty 14
Robert McLernon 16
Anthony Docherty 15
James McCaughey 13
Patrick Bernard 13
Andrew Maguire 6 weeks
Joanne Maguire 8
John Maguire 2
Brigitte Ann Dempsey 8 months
Brian Stewart 13
Ann Mages 15
Carol McElmurry 14
Phloemna Green 16
Geraldine McCoom 14
• 1977
Graeme Dougan 15 mths
Paul McWilliams 16
Kevin McEneamin 10
Marcia Gregg 15
 - 1978
Lanley Gordon 10
Michael Scott 10
John Boyle 16
Graham Lewis 14
 - 1979
Marian McQuigan 16
Jim Keenan 16
Brenda McPoland 12
• 1980
Dorore McGuinness 16
Hugh Maguire 9
Paul Moran 16
Michael McCartan 16
• 1981
Paul Whittens 15
Desmond Guiney 14
Julie Livingstone 14
Carol Ann Kelly 11
John Dempsey 16
Daniel Barrett 15
• 1982
Alan McCrum 11
Stephen McConomy 11
Patrick Smith 16
Stephen Bennett 14
Kevin Valliday 12
• 1985
David Devine 16
• 1986
David Hanna 6
Ennais Donnelly 13
• 1989
Seamus Duffy 15
1991
Kathrine Rennie 16
• 1992
James Kennedy 15
Patrick Harmon 15

they could be used to promote political and social awareness in the ranks of working people, a progressive platform. Alternatively, they could be used as part of a programme for taming the workers, a reactionary platform. In the interests of clarity you should state which platform you believe R.M. was standing on when he put forward these arguments.

If the working class is to rise to the heights necessary to bring into existence

a society superior in every way (in terms of meeting the progressive requirements of all mankind) to capitalism it will need to demonstrate that it is aware of the international dimension to the struggle in this day and age. It will also have to learn to shoulder responsibility for its own development and not delegate the responsibility to others. An analysis of the role played by the middle class over the years in working class politics would be

very useful in helping to develop such awareness.

Gerry Golden

(The writer treats the middle class as if it was identical with the capitalists. He confuses social and economic categories. Most middle class people work for a living. A lot of them identify with the capitalists on the basis of tiny incomes from a few shares, but this is a delusion. The reality is much better described by

the old Labour party formula of 'workers by hand and brain'.

Anyway, in actual politics, Thatcher was put into power by sections of the skilled working class, while many middle class people continued to vote Labour. It is to try to sort out the failure of life to conform the original Marxist model that we are republishing people like MacDonald. Discussion is always welcomed. Ed.)

Who Does Labour Represent?

by John Wilson

A few years ago I was discussing with my Constituency chairman the low party membership in his own ward. I suggested that my ward, next door to his, could help out in a recruitment drive on the local council estates.

"We don't want members from there", he said, "they're all racists". From chats I've recently had with East End friends, I get the impression that such an attitude is widespread and may well be at the core of the outcome of the Millwall bye-election.

What was really being said was that white people in Council flats are working-class, common, rough, and would spoil the cozy, self-righteous consensus which has come to dominate CLPs and branches in London in the last twenty years.

Student radicals with neither knowledge of nor affinity with the problems of working people brought mostly American pseudo-ideology into the Labour Party and began the process of driving out anyone who disagreed with them.

The middle-class know-it-all's saw careers ahead of them and had greater staying power than the bulk of the members. Most ordinary members attended meetings and worked for the Party out of a sense of duty to the Party and to the good of their

communities. After a hard day's real work trying to scrape a living together they were not too inclined to put up with a load of abuse from the newcomers, nor were they the sort of people given to firing a load of abuse

They had other things to do with their time. They were in the Labour Party for the good of other ordinary people and in the hope that a better and more equal society could be built. So they simply faded away.

The Labour Party lost its roots in the working class. Even more important - the working class lost its connection with the Labour Party. And the Labour Party has given every impression that it is entirely comfortable with this state of affairs.

Though the working class lost its party, it didn't lose any of its problems. While the Labour Party went on to develop its US imported fantasy politics or simply to promote careers, a particularly vicious form of Conservatism has been given a free hand. The problems of the working class have increased immensely. High and permanent unemployment alongside an assault on the welfare state. An end to public housing provision coupled with the flogging off of much of what public housing existed. The castration of the trade unions.

How has Labour responded to all this? It has capitulated to the

ideology of the free market which is incompatible with full employment. (And this at a time when more and more Tories are having second thoughts about it.) It is flirting with dismantling the welfare state. Its only policy on housing was to abolish the sons and daughters policy which it decided was "racist". This will be a lot of help to Asian communities a generation on. And now it is going all out to break its last link with the working class by turning the unions into sources of money pure and simple.

Labour has become the Party of the television sound-byte. Not content with seeing its own future as a mere question of packaging, it tries to package the rest of the world around it.

The people on the Isle of Dogs, for example, are not viewed as a part of the working class, all beset by essentially the same dreadful problems. They are Asians or women or gays or disabled or white (probably racist). They are appealed to (or reviled) by the standards and methods of the ad man.

Labour has become a divisive factor in the working class and what should be *the party* of the working class is entirely to blame for the consequences of these divisions. The Liberals may produce gimmicky stupid leaflets. That is what Liberals do. The Thatcherites may attack the living standards or ordinary people and rub salt in the wounds with their offensive development in Docklands. That is what Thatcherites do.

But Labour is supposed primarily to defend the interests of the working class. And this it appears resolutely opposed to doing.