

A POLITICAL MANUAL ABOUT HOW
TO STOP LOSING STRUGGLES
AT WORK - BY THE BIG
FLAME INDUSTRIAL
COMMISSION

ORGANISING

TO

WIN



**BIG
FLAME**

60p

Contents

Chapter 1: Labour's legacy - weakened workplace organisation	.... p.1	Chapter 6: Fighting for Unity - how to organise against divisions in the working class	.... p.24
Chapter 2: The Tory Offensive - attacking the rank and file	.... p.6	Chapter 7: Building Workplace Organisation - how it's done	.... p.27
Chapter 3: Worse off and Weaker - the effect of Tory policies on the working class	.... p.9	Chapter 8: Defeating the Tory Offensive - the importance of rank and file power and socialism	.... p.31
Chapter 4: Keeping us Down - how the Tories plan to get away with it	.... p.10	Chapter 9: About Big Flame - the role of the revolutionary organisation	.... p.33
Chapter 5: Organising to Win - lessons from recent struggles	.... p.14		

Introduction

Over the past few years, the working class has taken a hammering. Unemployment has increased by more than a million. Loss of part-time jobs and nursery closures have meant that many women have been driven back into the home. Under the Labour government there were massive cuts in the *social wage* (money spent in the public service sector for everyone's benefit). And since their election, the Tories are imposing even greater cuts in the public sector, leading to a double standard service – inadequate public provision for the majority and a luxury private service for the rich.

At work we're facing speed ups, manning and staffing cuts, sackings, closures, victimisations, and attempts to push through new codes of discipline, procedure and working practice which will undermine conditions won through years of hard struggle.

THE TORY ATTACK

This pamphlet is about why this ruling class offensive is happening, *and how it can be defeated*. We're not pretending that there are any instant solutions. It's time that socialists faced up to some harsh realities: after five years of Labour government and economic recession, shop floor organisation is now seriously weakened in workplace after workplace. The rank and file is increasingly demoralised and *divided*.

And right now the Tories are introducing a whole range of measures to further attack the rank and file – to increase demoralisation and division. Our argument is that in the face of this attack, the traditional strategy which dominates the trade union movement – for moderation, compromise and sectionalism and against mass action, solidarity and a real socialist alternative – is a recipe for continuing disaster.

Equally, the approach of much of the Left simply doesn't face up to these problems.

RANK AND FILE POWER

In our view, the Tory offensive will only be defeated through the full mobilisation of the rank and file. But with the present state of workplace organisation, that's not going to be easy. So the priority now for militants is to start organising at work to rebuild workplace organisation and rank and file power.

That means a political fight among the *mass* of workers in every workplace against the way the employers divide us: by race, by sex, with differentials, by unequal allocation of overtime and workload, with unemployment. It means a fight for more democracy at every level of the trade union movement, and a campaign for the election of more militant representatives who won't let us down every time there's a battle with management.

SOCIALIST POLITICS

It also means *consistently* taking up all the problems and struggles faced by workers in their everyday lives and showing how they relate to revolutionary socialist politics. We've got to be just as hard on Labour as we are on the Tories. Otherwise we'll be failing to prepare people for the anti-working class policies of the next Labour government.

So this is a political pamphlet – written from the experience at work of members of the revolutionary socialist organisation Big Flame. We believe that if we're to defeat the Tory offensive, we need a new approach to politics in the workplace and in the trade union movement. Although the steel strike ended in a sell-out, its best moments showed that the working class is not defeated. We have the possibility of winning. Our job is to turn that possibility into reality.

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Ch1. Labour's Legacy

Weakened Workplace Organisation

For too long, the working class has been losing struggle after struggle at work: the victimisation of Derek Robinson and the implementation of the Edwardes plan at Leyland; the defeat of the Grunwick struggle by the combined might of the Special Patrol Group and George Ward, with the passive collusion of the TUC; the defeats in the struggle against the Social

Contract under Labour; the successful closure of hospitals, schools and nurseries.

There have been some victories, but they're few and far between. *And there is now a real risk of permanent and major demoralisation in the working class unless we can urgently begin to turn the tide and start winning struggles at work and in the community once again.*

Why we've been losing

Our problem is that today, workplace and trade union organisation in many sectors has emerged from five years of Labour government seriously weakened. These are among the main reasons why this has happened:

1. Mass unemployment and the threat of closures and redundancies resulting from the economic slump.
2. The growing incorporation of the trade unions at national level into state machinery – particularly through the Social Contract – leading to repeated attempts by trade union leaders to sabotage rank and file struggles.
3. Successful attempts to undermine strong shop stewards' organisation and turn it to management's advantage by the introduction of Measured Day Work and national wage bargaining to replace local bargaining and piece work. And combined with this, stewards and reps have been increasingly tied down through participation, and tougher procedure and discipline agreements.
4. Increasing divisions in the working class along the lines of race, sex, differentials and over sectoral interests.
5. Changing processes of production (such as new technology) being used to deliberately undermine sections of the working class.
6. The increasing use by workers of Tribunals and Courts to try to win conflicts at work – instead of relying on mass action. In part this was because of government legislation such as the Employment Protection Act.



'No work until Robbo is back'. A march through Birmingham during the unofficial strike at Leyland against the sacking of Longbridge convenor Derek Robinson. The strike caved in when the AUEW Executive refused to back the strike and instead set up an 'inquiry'. 3 months later the 'inquiry' found in Robbo's favour and sanctioned strike action. But the Longbridge workforce refused to take action – by a vast majority. Read on for the full story. (Photo: A. Wiard, Report)

British Leyland

One of the clearest examples of all this is at British Leyland. There, shop floor power has been under direct attack for several years. The first step was the introduction of Measured Day Work – under which workers are paid by the hour, not by how many pieces of work they complete. Under piece work, Leyland workers had developed strong shop floor organisation, pushing up wage rates through individual shop stewards bargaining with local management over the rate for the job. This meant that there had to be a close relationship between shop stewards and their members.

Measured Day Work was brought in to break this link between stewards and their members. And it was reinforced by the introduction of national wage bargaining between top Leyland managers and national trade union officials. At the same time, workplace organisation was gradually undermined by tighter discipline and procedure agreements, and through successful attempts to involve convenors and stewards in 'participation' schemes with management.

As a result, stewards increasingly began to act more like managers – policing the shop floor, defusing and even scabbing on struggles, and enforcing high level agreements between union and management. The week after Michael Edwardes announced his infamous plan to axe 25,000 jobs at Leyland, the Big Flame newspaper carried this interview with a senior steward:

What position are the unions in to lead a fightback?

The main problem is that the unions in British Leyland have lost almost all credibility. In every plant, senior stewards have been involved in Joint Management Committees (participation) which have been basically acting as rubber stamps for management. They endorsed the last round of productivity deals and the redundancies proposed in 1977 and there is no doubt that their participation in the JMC's has led to a dampening of militancy and so also to an erosion of wage levels.

At this time, Derek Robinson even claimed this of participation: 'If we make Leyland successful, it will be a political victory.' As a result of this outlook, he and the majority of stewards encouraged increased productivity, harder work and flexibility – and acted firmly against any disputes.

Where sections of the Leyland workforce did start fighting back, management stepped in quickly with threats of closure and sackings if the action continued. And at Triumph Speke, after a 17 week strike provoked by the management who were trying to further cut manning, this threat was carried out. Faced with this combination of a direct attack on the rank and file and the indirect attack on shop stewards' organisation, the rank and file at Leyland have become cynical about their stewards, and there's been growing division, demoralisation and apathy.



Preston dock. Containerisation has hit dockers' organisation hard and drastically cut manning levels. But this is ridiculous! (Photo: John Sturrock, Report)

Restructuring industry

Under Labour, this kind of policy was carried out in sector after sector – and the result is a major decline in the militancy of the shop stewards' movement. The attacks have been directed most sharply at what have traditionally been among the strongest sections of the industrial working class – heavy engineering and shipbuilding; the motor industry; the docks; printing.

The way they've been trying to restructure industry to attack working class power can be seen very clearly in the docks over the past ten years. The methods were very similar to those used in Leyland: the change to Measured Day Work, the introduction of new technology (containerisation) and new work methods to intensify the dockers' work, and attempts to divide up the workforce. The plans for this were laid down in the report of the Devlin Committee on the docks, set up by the Labour government in 1967.

Before Devlin we worked piece work and it was fast. Piece work was one way in which the shop floor kept control of the work. But now it's worse. We have Day Work and all sorts of different agreements. And the dock is more divided now than before Devlin. There are now three separate worlds. You've got the riversiders; the men in the enclosed docks (where 20-30 different agreements operate) and the terminal berths, where you've got different agreements again.

London docker (TGWU)

The threat of the dole

In the motor industry, steel making, ship building and heavy engineering, threats of closure and redundancy are being used to destroy workers' organisation. In each of these industries, orders have fallen sharply with the slump, and employers are telling their workforces to accept low wage rises, to increase their productivity (in other words, how hard we work) and to agree to worse conditions and less control over the job – or face cutbacks, closures and redun-

dancies. One example of the way this blackmail has been hitting workers comes from the shipbuilding industry:

In the spring of 1978, a large order for ships from Poland was used by British Shipbuilders to encourage workers at Govan and at Smith's Yards to scab on their brothers at Swan Hunter. All these yards were short of orders and faced redundancies. British Shipbuilders insisted that all yards taking the Polish orders would have to sign 'no strike guarantees' and flexible working agreements. But the Swan Hunter workers refused to drop a parity claim, and refused to sign these agreements.

So the employers offered the work to Govan and Smith's – provided they signed the agreements. Led by Communist Party member and Convenor at Govan, Jimmy Airlie, the other yards signed the no strike and flexibility agreements – giving away in one blow what shipyard workers had struggled to win over decades. As a result the ships were transferred from Swan Hunter where large numbers of workers went on the dole.

Labour and unions together

Throughout their last period in government, Labour's strategy was clear: they wanted to ride out the economic recession by undermining rank and file power in one way or another, while giving more power and responsibility to the trade union leaderships. That is the importance of the Social Contract and the 'Concordat' with the TUC. During the Wilson and Callaghan governments, trade union leaders played an increasingly important role in key state institutions – becoming almost a part of government.

So during that period, in almost every case where workers went into struggle, they found themselves fighting not only their bosses, but their unions at national level too. Strikers against the Social Contract at SU Carburettors in Birmingham were fined by the AUEW. Nine stewards at the Leyland assembly plant in Cowley were charged by the TGWU



Facing a bleak future: Swan Hunter shipyards in Newcastle-on-Tyne. (Photo: John Sturrock, Report)

Regional Committee with 'bringing disrepute to the trade union movement' – for leading a strong shop floor fight against 'participation', the Social Contract and Leyland's plans for massive closures. And the Grunwick workers found themselves suspended by APEX, the union for which they were seeking recognition! There were many more examples.

Just how far right wing leaders together with the Labour government were prepared to go to help employers smash strong sections of the working class was seen in the mining industry in 1968.

The National Coal Board wanted to introduce local productivity deals to replace the existing national wages rates. The idea was to undermine the unity and political power of the miners by turning pit against pit and area against area. Supported by the right wing in the NUM and by Energy Minister Tony Benn, the Coal Board management in a breathtaking display of audacity pushed through the scheme *against* the decision of the national conference of the NUM and *against* a national ballot of all miners in Britain which totally rejected productivity deals.

It's important to see why this attack succeeded. For a start, the left wing in the NUM at first relied on the Courts to stop the breach of the conference and national ballot decisions. Not surprising-



Firemen striking against the Social Contract protest at the total lack of support from the TUC. During the years of Labour government, workers faced repeated attempts by trade union leaders to sabotage their struggles. (Photo: John Sturrock, Report)

ly, the Courts supported the right wing. Secondly it's because the National Coal Board offered money to certain coal fields where it was relatively easy to increase coal output (for example –

Nottinghamshire). This strategy successfully divided the miners – even dividing militant areas like Scotland where a few pits stood to make a lot of money out of the productivity deal.

Divide and rule

Dividing workers by paying them different amounts of money, as in piece work, is one method of divide and rule. As the working class began to organise itself collectively to push up piece rates, more and more industries have changed to Measured Day Work (MDW) payment systems, where the workforce is graded and each grade paid a standard hourly rate.

However, workers in the same grade are divided by an unequal division of work; some groups of workers are given a harder work-load than others, and some sections are given much more overtime than others.

'Where I work, everyone knows that the line workers work twice as hard and in worse conditions than the stock feeders who bring parts to the line. But line-workers and stock feeders are the same grade. The garage areas where they repair the vehicles at the end of the line get a regular two hours overtime a day and weekends. They've been bought by management, and stock department and the garage areas hardly ever support us on the lines.'

The same kind of thing even goes on in my own section on the line. The foreman and time study bloke have made sure that there are some hard jobs and some easy jobs. The threat is always there that if you cause trouble you'll end up with a harder job. That's the way the foreman keeps control.'

Ford worker, Langley

These kinds of differences in how hard we work and the conditions we work in, and how much money we get are some of the most important ways that capitalism keeps us divided – to make sure we don't unite against the whole system. Skilled workers get more money and often don't have to work as hard as semi-skilled workers; immigrant workers have the hardest, dirtiest jobs often for much worse money – and lousy housing; young people, taken as apprentices, often have little money.

Take the situation of working class women. Every day, thousands of women attempt the impossible: to fit in the maximum number of hours going out to waged work, as well as running the home (their other unpaid job). Women have to work part-time because it is assumed that it is they who also have to look after the family. Certain jobs thus become 'women's jobs' at considerably lower rates of pay than their fellow male workers. Even when they're working full-time they still get less than men doing similar work. Despite the Equal Pay Act the difference between men's and women's earnings of hourly paid wages has actually increased to £19.60 for 40 hours.

Women's wages are essential, not only for 'luxuries' like going on holiday, but also for paying food bills, rent, mortgages and rates. Women have to work to make ends meet but the only jobs available to them are low status, badly paid ones. Now the cuts in social services, nurseries, hospitals, school meals and the

increasing cost of 'convenience foods' are forcing women to work harder at home too.

Racism and sexism

Over the past few years, there have been important struggles against these divisions. But few have won the support of large numbers of white or male workers. For example, one of the first signs that Asian workers were no longer prepared to tolerate lousy wages and conditions and overt racism was the Imperial Typewriters strike involving hundreds of Asian workers for 13 weeks in 1974 at a hitherto 'quiet' factory in Leicester. There the white workers scabbed on the struggle. During the equal pay strike at the Trico windscreen wiper factory in West London in 1976, the men stayed at work:

'The women feel that the men working in the factory are scabs. My husband's the chairman of the shop stewards' committee at Trico, in the same union as us – the AUEW – and although the strike is official he's still in there working.'
Women on strike at Trico, Spare Rib 49

Despite some notable victories – like the Trico strike – these struggles have not yet succeeded in transforming either the position of women or immigrants in the working class.

Under Labour, the divisions in the working class got worse. For example, after the 1979 low pay strikes, the Clegg comparability report gave the lowest grades of council workers (90% of whom are women) the lowest pay rises. Towards the end of the Labour government, Callaghan and Healey – as well as Thatcher – spoke repeatedly of the need

to widen differentials between skilled and semi-skilled workers, and blue collar and white collar workers.

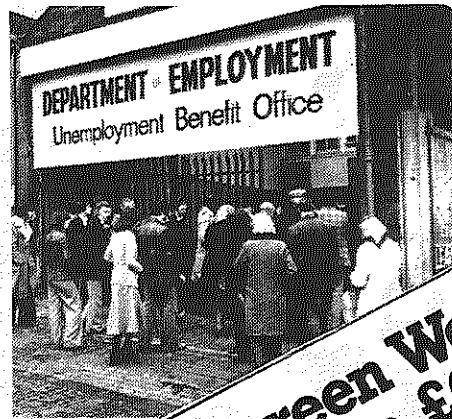
But probably the clearest example of the way that government policy increased divisions in the working class is unemployment. In March 1974 when we voted to 'get back to work with Labour' unemployment was 593,000. After five years of Labour in office, the figure stood at 1,407,000 – almost three times as high. As unemployment has increased, it's becoming more and more difficult to win support for any kind of solidarity action, and work place racism and sexism is becoming more of a problem. This is exactly the effect mass unemployment is intended to have – to weaken the unity of the rank and file.

New technology

One cause of the increase in unemployment is the rapid introduction of new microprocessing and robot technology based on the silicon chip. There's no doubt that this will destroy thousands of jobs. The society of Manufacturing Engineers (in the USA) recently completed a survey of top manufacturing managers and engineers who predicted that 20% of the workers employed in the direct assembly of a car will be replaced by 1985 and that 50% of the workers will be replaced by 1995.

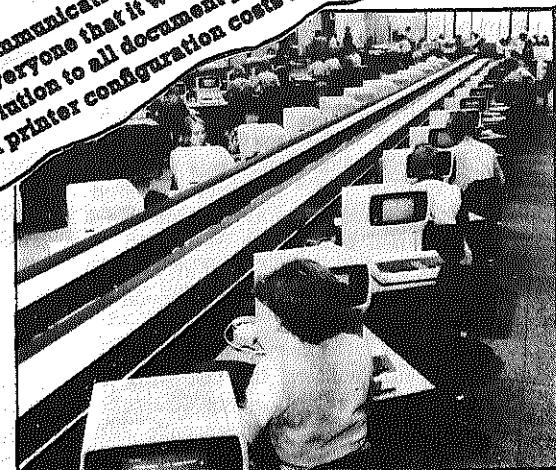
The most devastating effect of the new technology has so far been in offices, and the people whose jobs are most at risk are nearly all women. For example, the word processor enables a typist to produce the work of two or three, while reducing the skill needed.

Bradford Council reduced its staff in one section from 44 to 22 with the intro-



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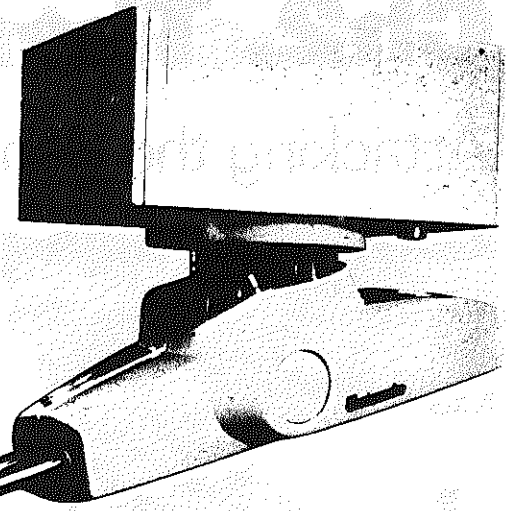
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duction of 9 word processors, resulting in an increased productivity of 19%. The authority now wants to introduce word processing across the whole education department with a possible loss of 200 jobs.'

'The Halifax Building Society progressed from automatic typewriters which they had used for 10 years to a system of 16 IBM word processors. The work force has not been reduced — but the workload has almost trebled. The typists are at the machines all day apart from two 15 minute breaks and a lunch break.'

(From the CIS Report on New Technology)

For people operating these machines, the intensity of work is dramatically increased. And by means of a central computer monitoring each word processor, it's possible for one office manager to check how fast each operator is working, when they're taking breaks and so on. In other words, it puts greater power and control in the hands of the management.

New technology is very much about power and control — not just about creating more unemployment or higher productivity. Employers have repeatedly used new technology over the years to transform production processes where workers had been able to build up job control, organisation and power under those processes.

In Britain until quite recently there were a number of important groups of workers who had built up considerable power. For example, dockers and printworkers. They had won high wages, strong control over the job, good manning agreements, and there were clear lines of demarcation. And occasionally they were willing to use this strength in solidarity with other sections of the working class. But, as we've seen, the dockers were seriously weakened as containerisation was introduced. And now printworkers are the target of a similar attack — through attempts by

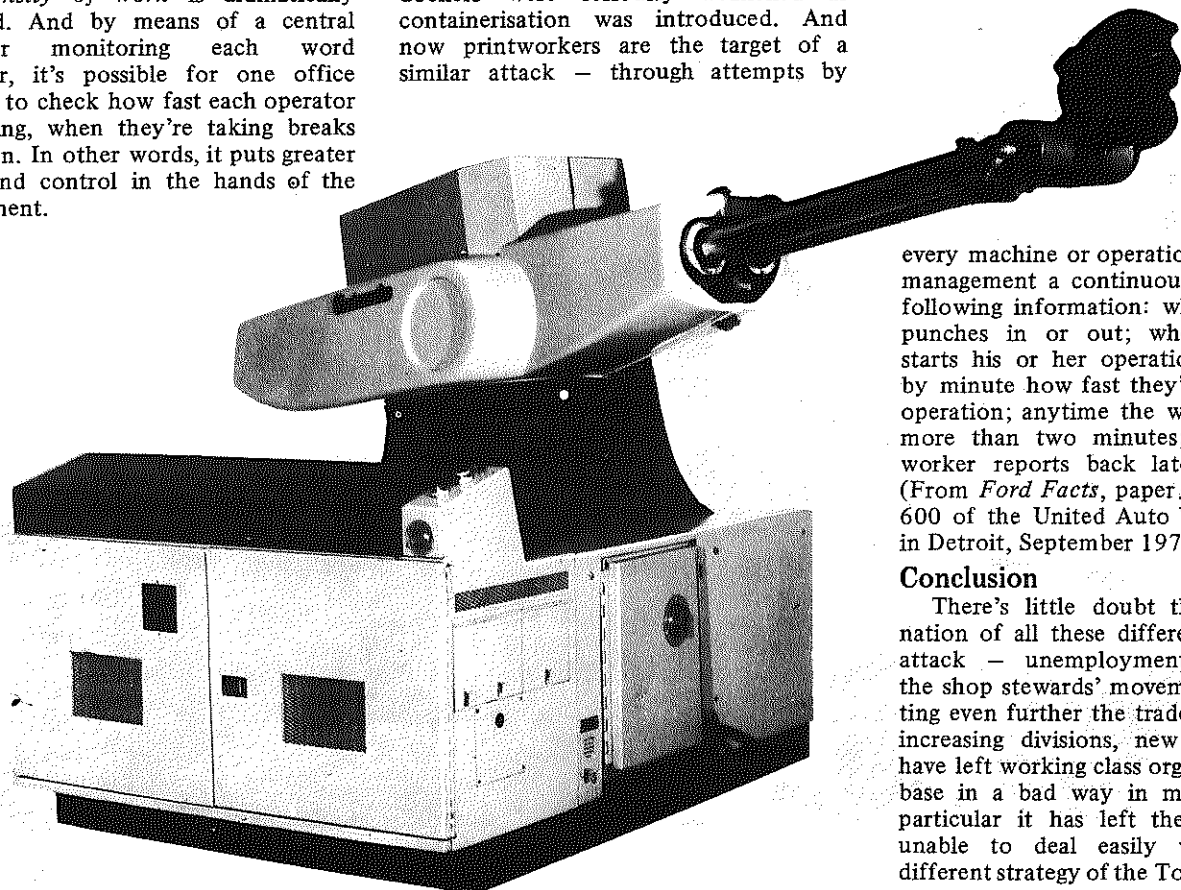
employers to introduce new computer-controlled printing technology.

In the motor industry, it's mini-computers and robots that are being used to destroy the power that semi-skilled line workers have built up over the years.

'What is even more frightening is the fact that the workers left in the plants will be nothing but industrial slaves. They will be controlled by an ever-watching, ever-present, ever-recording computer. And this is happening right now.

At General Motors' Oklahoma City plant, as each worker enters the plant he punches into a time box connected to a central computer. Each foreman has a computer TV screen which tells him instantly who is there when the shift begins. The computer can tell the foreman who else in the plant can do the job if an employee is absent.

This is only the beginning. Many plants are using a central computer in combination with mini-computers on



every machine or operation. This can give management a continuous record of the following information: when the worker punches in or out; when the worker starts his or her operation, and minute by minute how fast they're running that operation; anytime the worker stops for more than two minutes; whenever the worker reports back late from lunch.' (From *Ford Facts*, paper of local branch 600 of the United Auto Workers' Union in Detroit, September 1979)

Conclusion

There's little doubt that the combination of all these different methods of attack — unemployment, undermining the shop stewards' movement, incorporating even further the trade union leaders, increasing divisions, new technology — have left working class organisation at the base in a bad way in many sectors. In particular it has left the working class unable to deal easily with the very different strategy of the Tory government.

Ch2. The Tory Offensive

Attacking the Rank and File



Rational, Reasonable, Rampant. Sir Thief Joseph thumps out his simple message: 'More for those who have. Less for those who have not and do the work. Increase profits. Smash the working class.' He's our public enemy number one.

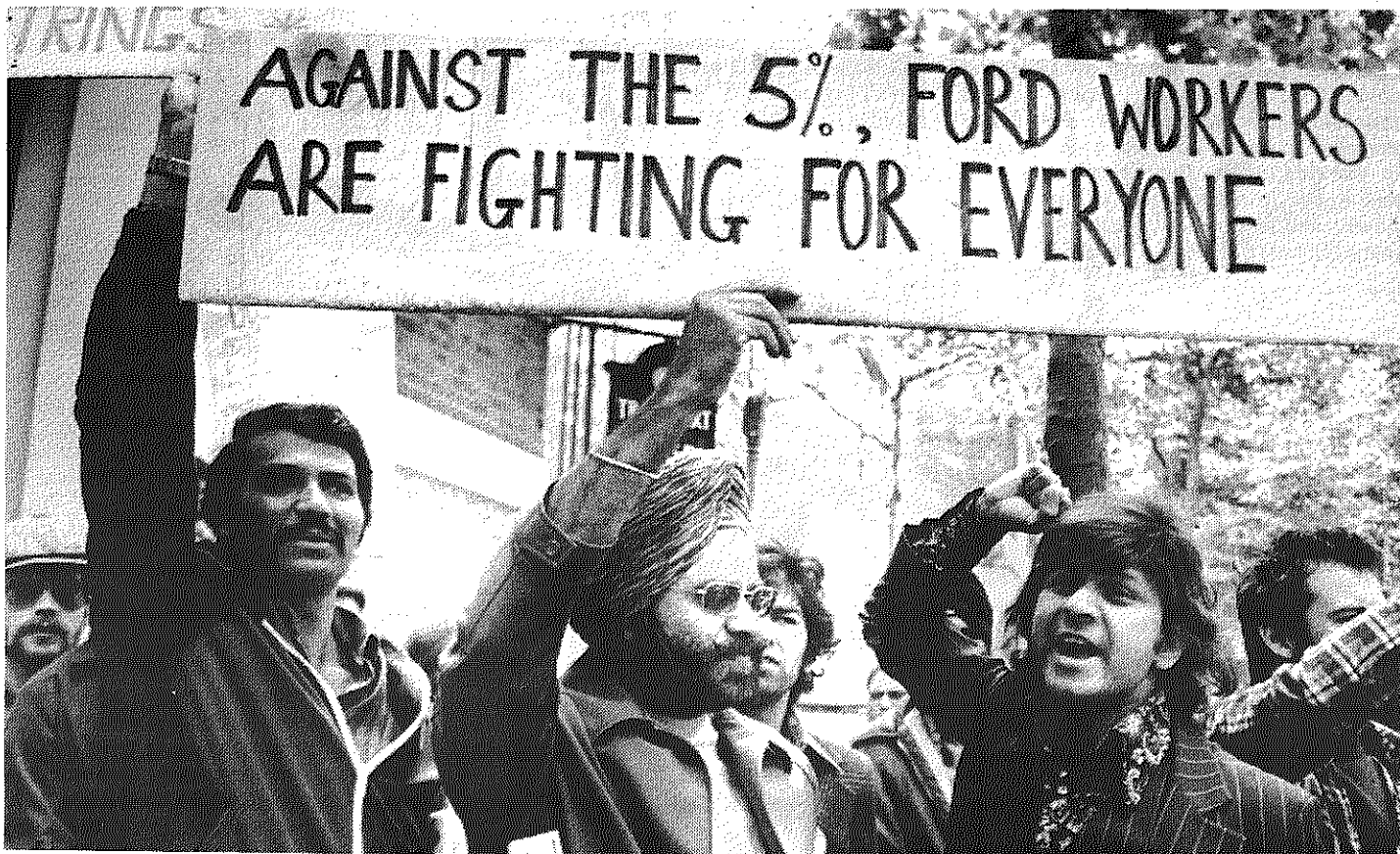
(Photo: Mark Rusher, IFL)

It's against this background of a weakened rank and file that the Tories are introducing the Employment Bill. Together with their monetarist economic policies, the even more rapid introduction of the microprocessor technology and their proposals attacking the rights of women and the rights of immigrant workers, it's clear that they have decided to seize this opportunity to use their *present* strong position in relation to the working class to *permanently* alter the balance of power between the bosses and the working class. It's a major *political* attack on the power of the rank and file.

The purpose of this attack is straightforward. They want to bring about a massive redistribution of wealth, income and power from the working class who produce that wealth to the already rich and powerful. In order to do that, they've got to restore work discipline, productivity and high profitability. As Keith Joseph said in a radio interview on January 4th 1980:

'I've said it before and I'll say it again — the key problem facing this government is the catastrophically low profitability of manufacturing industry in this country. We will use every means at our disposal to put this right.'

From the actions of this government so far, it's already clear that Joseph



October 1978: the Ford strike. Trade union leaders could no longer hold back the wave of rank and file anger against the Social Contract. That's why the Tories are now directly attacking the power of the rank and file. (Photo: Laurie Sparham, IFL)

means what he says. Their methods are first to make it more difficult for the rank and file to win struggles – that's the reason for the attack on picketing. And they want to divide the working class – particularly through a massive increase in unemployment. The Tories will also encourage private sector workers to turn against public sector workers, and those in profitable industries to turn against those in less profitable ones. The purpose is to increase sectionalism in the working class and make it more difficult to build solidarity.

Labour and Tories – same aim, different methods

We want to stress, however, that the central aim of the Tories is *no different to that of Labour*. They both want to create a thriving and successful capitalism. And that means greatly boosting profits and productivity – in other words to make us work harder, suffer more accidents, get ill and tired more often, while holding down our living standards.

Where the two parties differ is in the methods used. Where Labour trod carefully – trying to gradually undermine rank and file power while giving more power to the union leaderships to do their dirty work – the Tories have a different aim. They want to restore the ethic of capitalism and destroy the power of the trade union movement. The Tory government reckons that following the massive strikes by Ford workers, lorry drivers and local authority and hospital workers against the Labour government's incomes policy during the winter of 1978/79, the trade union leaders are not strong enough to hold back a determined rank and file. That's why the Thatcher government is planning to make a direct challenge to rank and file power – the most serious challenge the working class has had to face in fifty years.

MONETARISM – HOW IT WORKS:

Underlying the methods the Tories are using to try to defeat us is a new approach to the economy – *monetarism*.

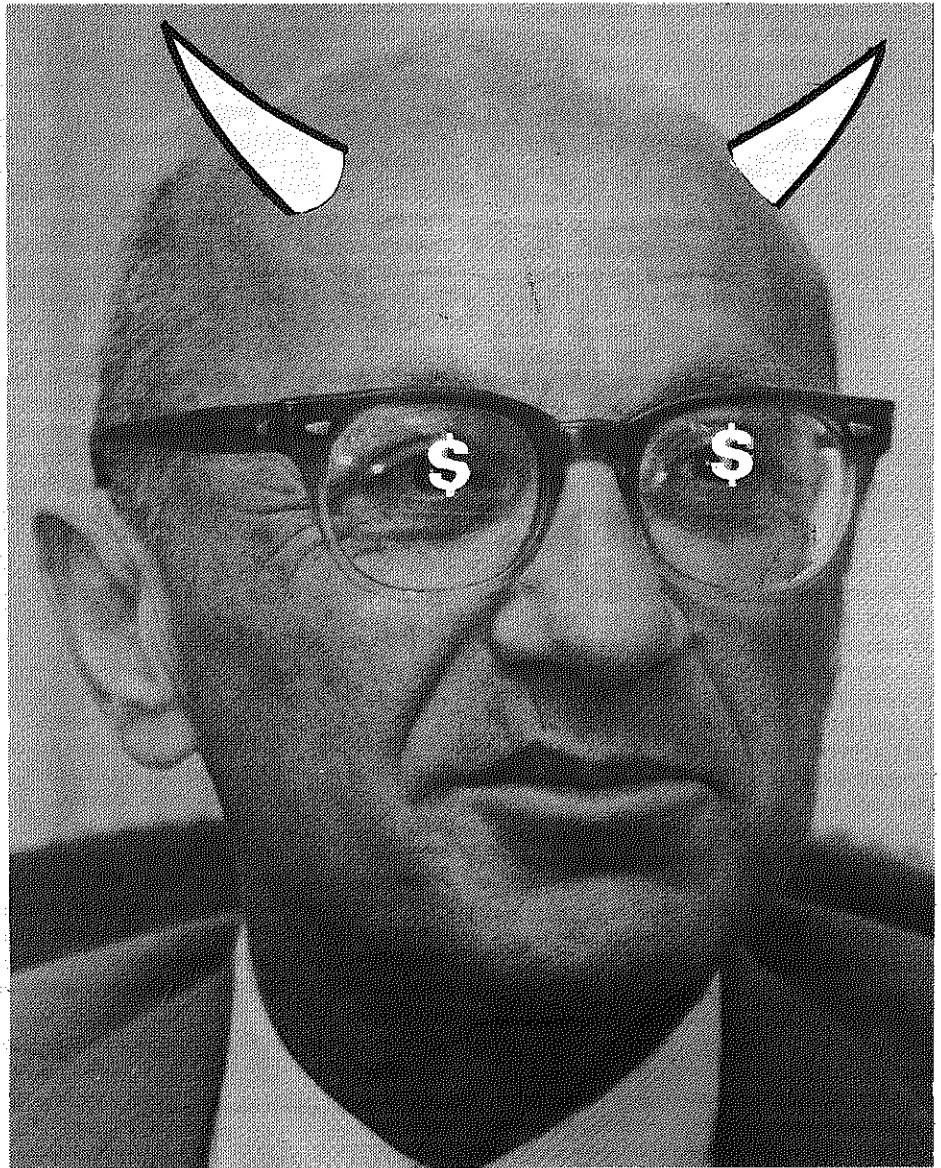
How does monetarism work? It's an attempt to control the whole economy simply by controlling the *supply of money*. The supply of money is not just notes and coins. It also includes current account deposits at banks, which in fact accounts for about 80% of the money supply.

To control the supply of money, the government can do three things. First, it can increase the *minimum lending rate* at the Bank of England – which forces all the banks (and then the Building Societies and hire purchase companies) to put up their interest rates.

This makes borrowing money more expensive – which means that companies will only raise loans if they are making enough profit to cover the higher rate of interest. So less profitable projects will not be undertaken, and firms not making enough profit will simply not be able to borrow. And less borrowing means less money supply.

Secondly, the government can put controls on the banks to limit the amount of overdrafts they give. This can have a serious effect on companies – because most companies have to make temporary borrowings to pay wages bills or for raw materials.

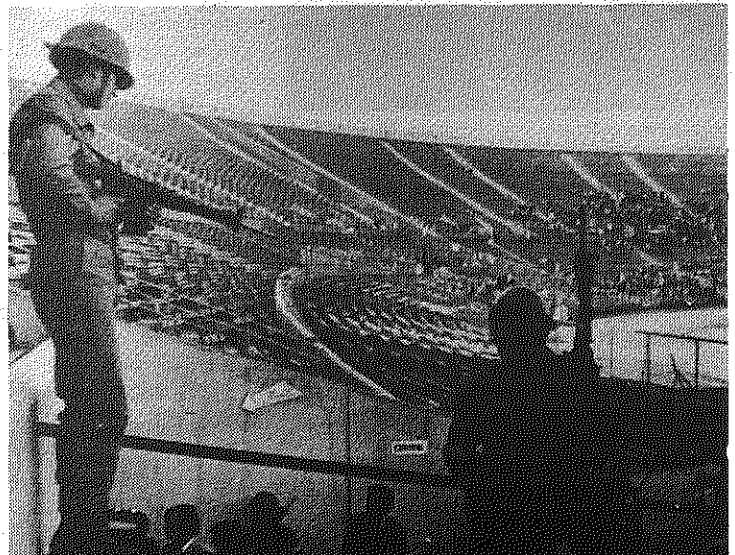
Finally, this government is also trying to control the supply of money by cutting back Public Sector borrowing – in other words how much is borrowed by the government itself, by the



PLEASE ALLOW ME TO INTRODUCE MYSELF

Professor Milton Friedman - American professor of Economics who travels the world expounding his monetarist economic theories.. Economic advisor to Thatcher in Britain and Pinochet in Chile.

local authorities (for example, to spend on housing), and by the nationalised industries. This leads to cuts in public spending.



Political prisoners in the stadium in Santiago, Chile. Control the money supply + repress the working class = Freedom to Choose (for some).

Although governments have always employed some kind of 'money policy' this new version is much more extreme and is based on some very doubtful assumptions — such as the idea that the capitalist system would work smoothly if governments balanced their budgets, if there were tight controls on credit, and if all the factors of production were free to move to their most profitable use. This is just what economists used to say before the Depression in the 1930s. And it was the experience of the Depression which convinced many people that capitalism had no automatic tendency to grow and that governments would have to intervene to make sure the economy did grow.

So since 1945, two aims have dominated the economic policies of both parties:

1. It's the job of governments to 'maintain full employment.'
2. There's a need for a 'welfare state' — in part at least a safety net for the 'less fortunate' in capitalism — the young, the old, the sick, the disabled and the unemployed.

Led by Thatcher, Joseph and Howe, the government has now completely rejected these ideas. Instead they've gone over to full blooded monetarism. And they've made it clear that they don't give a damn about the welfare state — and they positively welcome growing unemployment as the price the working class must pay if there's to be a massive increase in profits.



Tory Chancellor of the Exchequer, Geoffrey Howe, speaking at a conference of New York bankers, June 1979.

Since they were elected, the Tories have taken three main steps to implement their monetarist policy:

1. A huge increase in interest rates.
2. Severe controls on bank lending.
3. The slashing cuts in public spending and the introduction of the system of strict *cash limits* to control spending and borrowing by government departments, nationalised industries and local authorities.

The economic crisis in Britain

The Tories have adopted these monetarist policies in an attempt to cope with the world economic recession. The

recession, which was set alight by the decision of the OPEC to raise the price of oil by 400%, affects all countries, but it affects Britain worst for two main reasons.

1. **The loss of empire.** Direct colonial exploitation guaranteed British companies a source of very cheap raw materials and a market for their goods. Britain still has a *neo-colonial* relationship with many of the ex-colonies — an exploitative relationship now largely operated through multinational companies — but this has been at the expense of the domestic base of British industry.

2. **Working class resistance.** In Britain there's a long and stubborn tradition of struggle against work and against any changes which threaten workplace organisation. In many workplaces there's a daily battle over how much work we're prepared to do: over the speed of work; manning levels; mobility and demarcation. Work is felt by many people to be boring, pointless, alienating and a 'rip-off.' And so people do as little as possible for as much money as possible.

This has been one of the strengths of the working class in Britain. Compared to capitalists elsewhere (apart from Italy), employers have found it difficult to manage their plants as they wanted — to defeat the insubordination of their workers. This is much less the case in Japan and Germany, where the working class was weakened by ten years of fascist control. It's therefore no accident that productivity, even with identical machines, is much higher in other capitalist countries than in the UK.

There's also a strong tradition of wage militancy in this country. This has resulted

BANKRUPTCIES ARE NOT NECESSARILY A BAD THING.

in a long series of government incomes policies which have either ended in defeat or in a wages explosion. By 1974 the proportion of the Gross National Income taken up by wages was higher in Britain than in any other European country.

What gives the bosses ulcers is that they can't easily get back all this money simply by raising their prices. This is because of world competition. For example, Japan or Germany can sell cars cheaper than Britain because less of their production expenses goes in wages.

Underlying this is the problem of *investment*. Capitalists are unwilling to invest in a weak economy with a strong working class because they can't guarantee their profits. Britain is such a country.

The future

As we've said, today we're living through a major economic and political crisis of the whole system on an international scale. This is much more than a temporary economic recession. What's happening is that the model of accumulating capital and making profits which worked well for capitalists from the end of

the Second World War until the mid 1960s has now broken down. Economic growth has slowed down dramatically — in some countries it has stopped dead.

So now capitalism is having to completely *restructure* itself — against working class needs and power — in an attempt to find another stable model of capital accumulation and making profits. It hasn't found the solution yet, and it's impossible to make exact predictions. But there are a few developments which point to the way things are going:

- * very big leaps forward in the development of international transport
- * the increasing division of production processes into very small sub-operations — to eliminate skill
- * greater uniformity in the world market so it doesn't matter so much where you manufacture or design a particular product (for example, Ford is right now starting production of its first 'world car' — the new Escort. It's the first time they've marketed a single model all over the world.)
- * increasing awareness by the multinationals that in parts of the 'Third World' there's an enormous reserve army of labour.

So it looks as though a possible new phase of growth for capitalism could involve a major restructuring of the *international division of labour*. It's already happening. Increasingly, labour intensive production is moving to countries like Thailand, Indonesia, Malaysia, the Philippines, Brazil and Nigeria. This is especially true of the new micro-electronics assembly industries. The older industrialised capitalist countries like Britain will more and more have economies based on *capital-intensive* industries — using large amounts of machinery and employing relatively few people. This will create a permanent pool of unemployment in those countries which will enable capital to grow without working class power growing.

It's important to see how raising the rate of unemployment is a direct result of the policies of the Thatcher government. The high rates of interest discourage companies from investing by making it more expensive to borrow money. A strong pound slows down the demand for British exports by making them uncompetitive in the international market.

So this is the capitalists' strategy. It could work. But they've still got a few problems. The international monetary system is not yet stable. There's growing rivalries between capitalist countries, and moves to protect their economies through import controls and tariff barriers. No one capitalist country has emerged as top dog (though the USA is having a good try). The most important problem they face is the *working class*. The whole purpose of all this is to restructure capital against our needs, against our interests and against our power. Their idea is to put us on the defensive. But if instead the working class goes on the political offensive, totally rejecting capitalism's 'logical' development and finding new and fresh forms of organisation, then the ruling class is in real trouble.