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Published for

Echanges et Mouvement
BM Box 91
LONDON WC1 N 3XX
United Kingdom

by

advocom

£ 0.90

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SHAKE IT AND BREAK IT

Class and politics in Britain

1979/1989

NOTE

This pamphlet contains two texts , a recent and an old one on England ;this country was and still is the ill child of European and world capitalism.

The first text written by David Brown is quite a new one and the footnote (1) explains in which circumstances it was published.

The second text was written by Henri Simon ten years ago for an international Echanges meeting. Initially in French ,it was never completely published though there was a limited distribution of translations in spanish (Etcetera) and in English (BM Blob) . We have used this translation in the present pamphlet .

This last text draws a picture of the situation at the beginning of the Thatcher decade and of all pretences to cure the English disease .The second text brings a view of 'modern ' United Kingdom when again this country is driving among social and political turmoil.

For a more complete view of the class struggle in UK since the last world war , we could refer to books published by Echanges. Unfortunately, they were not translated into English. We can only give the french titles for those who can read other languages :

- Cajo Brendel :Lutte de classe autonome en Grande Bretagne 1947-1977 (Echanges et Mouvement ,Paris, 1978) (in german , french and italian)
- Henri Simon : 'To the bitter end ' ,Grève des mineurs en Grande Bretagne (mars 1984-Mars 1985) (Acratie , 1987)

We can advise people wanting more in English on class struggle in the U K to report to the articles published in the past issues or pamphlets of Solidarity (before 1977) and of Echanges.

december 1990

MYTHS OF THATCHERISM

Foreword (1)

Frequently the idea that we form of the government policy in the United Kingdom seems to contain the vague outlines of an almost military style reconnaissance seeking a solution to the problems of the economy and society, almost as if there were a rigid programme for "the Thatcherian revolution" to be imposed at all costs. No doubt much evidence may be produced in favour of such a theory: we may recall the violence of the miners' strike, that of the printworkers, or the violence on the streets of Brixton and Toxteth and dozens of other cities. There is also the internationally famed case of hooliganism or the official violence of the war in the South Atlantic and of the struggle in Ireland.

But this image endures only because it suits all and sundry, right and left, capitalists and trade unionists, conservatives and labourites. It offers the government an ample margin to demonstrate its decisiveness based on solid principles. Mrs. Thatcher goes around comparing herself to Lenin and De Gaulle, speaks of a "permanent revolution" and does not hesitate one second when a Russian cartoonist gives her the name of the "iron lady". No one could fail to notice the similarity with the "ironsides", the spearhead of the Cromwellian army during the Civil War. In fact, if Cromwell were not a national figure above any polemical comparison, the similarity between the two would not be completely vain (both puritans, provincials, of lowish birth and extremely lacking in any respect towards the "powers in the land").

The image suits the labourites and their unions as it allows them to forget and help others forget that it was just them who tried out for first a policy of public spending cuts and privatization to reduce the public borrowing requirement. Now they can pretend to be the protectors of the "public" sector, in line with all the other do-gooders.

The image also suits the capitalist class as it demonstrates that it is serious about business after years of messing about by the state. It gives a bit of class to the rough and ready nouveaux riches: to think that revolutions nowadays are carried out by stockbrokers!

This image, nevertheless, is unconvincing both empirically and methodologically, as I shall try to demonstrate below. If the government has something to boast about it is that of having gained an extended support, unlike that of the past, based on the traditional groups of the Conservative Party. The opposition to various government policies too is losing its former popular characteristics, while a 'green' movement is beginning to emerge which is as every bit as confused as that in the rest of Western Europe. Generally speaking, we can see that a different structure supporting the government came into being, a clear indication of major social mobility which may well remain permanent, at least during this economic cycle. All this is a far cry from a warlike enterprise, but instead shows that the foundations were well laid before the start of the "Thatcher programme" and that the election of 1979 simply triggered the explosion which is still rumbling.

Secondly, the creation of a state with a manifest will to intervene does not fit with a policy aimed at making the entrepreneurial class responsible for its own actions. As we shall see below, on many occasions legislation dealing with labour relations (with a whole heap of prohibitions, fines and even gaol for trade unionists and others) became a real millstone around the necks of the industrial leaders.

The state's economic activities

The relations between the state and the economy in Britain up to 1979 may be divided into four periods. In the first period, the state was interested more than anything in the setting up of various services essential for its own functioning. It created the Post Office (and later the telecommunications service), both kingpins in the central bureaucracy. The buying up of the shares in the Suez Canal (even if not really a direct state responsibility) and the creation of British Petroleum were both aimed at an imperial conquest of the Middle East, completed in fact during the First World War. Besides, the state had always maintained huge military reserves such as arsenals, deposits, bases and ports, all quite naturally part of the state in the strictest sense, at least until 1979.

This policy continued after the First World War. The establishment of the BBC in 1922 and Imperial Airways in 1924 (this only partially state owned) still remained in the field of communications - the former was highly useful during the general strike of 1926 and the latter was essential in maintaining rapid contact in an extensive empire. But now there was also the prelude to the mass nationalization of twenty years later. Two key industries, the railways and coalmining, were reorganized, developed and aided by the state so as to avoid their disappearance with their loss of a monopoly position in land transport and energy production.

Thus after the Second World War, with the major part of heavy industry worn out by the war and overexploitation, the state bought up the coal mines, gas and electricity production, the steel industry, the railways, canal and river transport, long distance road and rail transport and a lot else. While the purchase of transport systems was still within the logic of the pre-war period, the construction of an enormous state holding based on coal was more decisive. The coal mining industry was declining from the nearly 300m tons produced in 1913 to a little more than 200m in 1951 (and to 124m in 1981, about 100m now).

The reorganization of the 1920s and 1930s had been the scene on major social conflict, but that of the 1950s and 1960s went through without major problems, despite the reduction in the number of miners from 690,000 to 287,000, a much greater fall than that of the 1970s (70,000 less) or even the 1980s (about 128,000 less). Moreover, the links between the state industries were very close. In 1950, 56% of coal produced was consumed by state industries and this rose to 85% in 1980. The coke ovens that served the steel industry also produced town gas and chemical products. The main rail freight customers are the coal mining and the steel industries.

Various theories have been advanced regarding the creation of a state owned sector in heavy industry, including the one elaborated by the supporters of a "public" sector attempting to gain strategic control of the economy. In fact, even after the return of a Conservative government in 1951 nothing much changed (only the steel industry was sold, then renationalized in the 1960s, then sold again in the 1980s).

We can see all the same how the holding really fell apart on its own. The railways were losing customers and in 1963 were heavily cut. They then abandoned coal power. The discovery of natural gas in the 1960s led the gas industry too to give up using coal. Between 1950 and 1980 the use of coke in steel production was halved by the introduction of new technology. All that remained was the relation between coal and electricity, a clear indication of the failure of the British nuclear power programme, the oldest in the world.

The last major purchase in the period 1945-51 was the central bank, but here too, just as with manufacturing industry, the state kept its nose well out of the more modern financial sectors - it neither attempted to buy nor to control the other banks and insurance companies. The state took over the Bank of England largely to pursue changes in the monetary policy: the pre-war gold standard and later floating exchanges was replaced by fixed exchange rates and a series of planned devaluations. Seeing that the present ('Thatcher') government has introduced no novelties, at least functional ones, because for 11 years the policy of the "strong pound" has prevailed, it seems that the sale of the Bank of England is not on the cards.

In the 1950s and 1960s there was a slow sea change, a bit like that during the inter-war period. The state gave a hand to modern industry, tried to push through mergers or sell offs, sometimes bought something when the sheer size of the business became too large for the private sector. But in the period 1970-72 there was the first pre-shock of the impending earthquake. The state decided to stop helping companies in trouble, even if in the public sector, and immediately clashed head on with various groups, mainly the coal miners and shipyard workers. But it was not just the resistance of these groups that caused changes in policy, instead the arrival of a major economic crisis put many famous firms in hospital, first of all Rolls Royce. And as the state runs the hospitals, so too must it have one for industry. The welfare state for industry was taken on by the following Labour government which set up the NEB, finally a real hospital (to use the term coined by Mussolini for the Italian equivalent, IRI, set up in the 1930s and still going strong).

Thus on the eve of 1979 the state sector was composed of a large and aged collection of companies, some in hospital for minor operations, others in deep coma and even some that could leave almost immediately after proper care.

The pre-shock of 1970-72 seemed a distant memory when the full earthquake struck after 1979 and began to transform the nature of British industry - some well-planned series of interconnected policies, carried through with unbending decisiveness, led to a massive series of sales. Already in 1979 the state had stopped giving handouts to industry left right and centre, ending the syndrome of profits to the private sector, losses to the state. For industry, the attempt to gain access to private capital was also difficult. The government was engaged in a struggle to reduce inflation and interest rates were skyhigh. Moreover, one of the new government's first concrete acts was to remove all limitations to the transfer of capital, leaving it up to the investors where to invest worldwide. Lastly there was another aspect of the economic policy: cuts. The state was reducing its spending and so automatic orders for goods from state owned or even private firms were increasingly replaced by open tendering. Even when the firms that had to close down were clearly the victims of international dumping (e.g. the paper industry) or of inefficient state services which kept on introducing excessive charges (we shall see why later on), the government did not shed one tear. The effect of producing a huge number of unemployed was neither unexpected nor undesirable, as far the government was concerned, because it could lead to a policy of wage reductions.

After a period of hard labour to reduce inflation and industrial conflict, and to introduce some of the more banal concepts of efficiency in the public sector, the state began to put firms up for sale. This could be split into two phases (2).

During the first phase the old managers, often ex-politicians or the like, were removed and replaced by hardnosed managers from private industry, often helped by external consultants so as to bypass the remaining still powerful state and state dependant executives. There followed ruthless reorganization, both as regards modernization and in the reduction of the scale of activity with sell offs (such as the sell offs of the railways hotel chain and ferry fleet). It became possible to turn around these firms and in some cases make a profit, even if this required stiff increases in state monopoly charges. As far as this phase is concerned, there can remain just one doubt: why was it necessary even in this original phase to use the state as an economic instrument? Would it not have been more coherent with the policy previously announced to sell up immediately to private firms and give them the free hand to get on with it? This was the case with Alfa-Romeo in Italy (3).

The second phase saw the sale of the firms. The result of increased tariffs was increased income or profits to show on the balance sheets. The state often took over accumulated losses and obviously was 100% responsible for the unemployment benefits to those sacked during the reorganization. The shares were often sold to small investors (the ex-coupon clippers began to fill in share application forms published in daily newspapers). Share issues were always at a low price and even in a day's trading a massive profit could be made (the shares in the water companies rose 27% in 24 hours and this was far from the most attractive investment offer). To put on something of an anti-monopolist show, the state did allow for some cases of competition - there are some private telephones (and now it seems that even the state controlled railways might set up their own network), mainly for business use, a private postal system (but only for packets), private coal mines (but only for small deposits), and the private Docklands Light Railway (built mainly along old dock railway lines closed with the end of the Port of London). But this show was only a cover up as we all know that competition in the end leads to a new monopoly. In fact when the state airline British Airways was sold off, its position in a market that was open to competition from 20 or more years back, led to the collapse of the private rival which was immediately taken over. (Since then another private airline, BIA, has collapsed.) For gas, electricity and water distribution there was not even a formal possibility of raising the idea of competition. A second type of sale is represented by that of the road transport company, bought out by its own workforce. A similar operation also appeared on the horizon in the case of the coal mines, but in two phases: firstly mines considered to be uneconomic have been sold off to the miners who work them (and this may well continue in the future) while the break-away miners' union has also stated that it would make an offer for the remainder if denationalization were considered (obviously with only the more modern pits, the ones in which this union's members work, in mind). This is just another reconfirmation of the cynical criticism of workers' control under capitalism, 'the mines to the miners and the dust to the dustmen'. (More recently this union made it known that it was interested in taking over PowerGen, one of the new electricity concerns created in the run-up to denationalization.)

What has the result been? Both the state oil companies, BP and BNO, have been sold, the steelworks (again), the telephone company, the national airline, gas distribution, the remaining components of British Leyland (Rover and Jaguar), the water supply industry, Rolls Royce and a whole host of others. In all 50 or so firms worth £26bn. On the way out of the state sector there are, in probable order of business, the electricity producers and suppliers, the railways and

coal mines. But the state, while still holding a minority of shares in some strategic enterprises, maintains its voting majority by means of the so-called golden share, a means said to guarantee the sale of the companies to foreigners (for Jaguar this rule was waived and the company went to Ford, while for BP the presence of a minority Kuwaiti shareholding unleashed a nationalist backlash and the Arabs were forced to withdraw).

There can only be some perplexity over this second phase too. It is quite clear from its behaviour that the state still considers its role to be fundamental. It wheels and deals in the good of the company and the country, in a word it protects. But who does it protect? The small shareholders. Besides, there is no economic sense in selling these companies in the way they have been. In 1979 the economic climate was bad, but not at the level of bankruptcy as in 1975-6. In 1979 it was still possible to sell government bonds and get a line of credit from the IMF. Britain was not in the position of Argentina which is being forced to sell up, or Spain that seeks foreign investment as a quid pro quo.

Why then were shares sold at such massive discounts when the old gilt edges could be offered with only a marginal difference between sale price and market price? One could well imagine a scenario in which the reorganization of the company led to profit making that could be used both to pay off the reorganization costs and even some of the state debt. All the more since the risk to a shareholder is greater than to an owner of government bonds, so the state would have to guarantee a greater rate of return on its shares (even to the extent of disturbing the share market) either by means of protectionism or by means of underpricing the shares offered, maybe even directing resources away from other, perhaps more important, investments. This all makes one feel that the government policy was not just one of efficiency and industrial reorganization, with the aim of reducing the state debt and taxation, with a few presents handed out to private individuals. It was and remains to be essentially a social policy (4).

In fact the policy killed two birds with one stone. When the state proletariat (and the state bureaucrat too) was sent home, the old style saver with his gilt edges suffered another blow. Inflation had already eroded their value substantially as they are usually long-term non-indexed bonds.

In their place there emerged the small shareholder. To see how great a change there has been we should remember that in 1979 there were only 2-3m shareholders, and usually passive ones, also holding various policies and bank deposits (reinvested in the City), rather than true economic agents. Perhaps this word passive more than anything else gives an idea of the scope of the government policy. It wished to favour the exclusion of passive saving in favour of risk bearing saving.

It is clear nevertheless that the Financial Times does not sell as many copies as there are shareholders. It is equally true that the small shareholder is not very stable.

If in 1979 the number of shareholders was around 3m, by February 1987 this number had tripled to 8½m and by October 1989 12m, 28% of the entire adult population (compared with 27% in the USA).

There is no way to calculate how many heads of family hold shares, but the percentage must be even higher. These shareholders are anything but immobile. 90% of the buyers of Amersham International shares (sold completely in 1981-2) had resold by 1986 despite an increase in the

quotation by 330%. 35% of British Airways shareholders (51% of shares put up for sale in 1986-7) sold up within 7 months of the issue, while 60% of British Telecom shares changed owners after the three stage sale from 1984 to 1987.

A survey conducted by the London Stock Exchange showed that the average individual shareholding was worth £4,000 while 25% held less than £500. A good 75% of shareholders had only ex-state companies shares in their portfolios, while another 1½m had bought shares in their firms, thanks also to tax discounts offered by the government. This latter group made up 15% of shareholders.

Despite this amazing bout of activity, between 1985 and 1987 the percentage of family disposable income spent on shares rose from 0.25% to 0.4%.

The share buyers are increasingly lower class. While in 1984 only 10% of them were "C2s" (skilled workers), by 1987 they represented 25%.

As so far only 40% of the total value of state companies has been sold, it will be years before we can say whether a stable popular shareholding class has come into being or, on the other hand, it is just like a game of bingo or horse race betting, putting money on shares as they are issued at a low price to then sell up and wait for the next round in what has been called the "casino economy".

Strangely while the polls show a public hostile to the sale of the state companies (57% against the sale of the gas board, 56% against that of Telecom and a full 72% against that of water and electricity concerns), the shares are sold without the slightest hitch. The latest and most strongly resisted sale, that of water companies, saw the shares being underwritten four times over.

We have seen that only 40% of the state holding has been sold, but the mechanism which seemed so tried and trusted is beginning to show signs of grinding to a halt as problems arise. The next sale, that of the electricity concerns, to be followed by the coal mines and the railways, should see off the old mainstay of the public sector. It is just here that a series of problems, certainly contingent ones, block the way. The British nuclear programme is not only a failure, it is also out of date and while an old coal mine can simply be abandoned, a nuclear power station cannot - it has to be decommissioned and dismantled. The total cost of such an operation has risen for existing stations to an astronomical estimate of £15bn. (In the case of the Berkeley station, decommissioned in 1989, the total close down cost and later demolition was estimated at £300m while the total value of the electricity it produced was only £1bn). Here obviously the reorganization of the company cannot follow the lines of kicking the workforce around for a while and closing down the losing bits.

The workforce is very small and closure costs will be very high. The problem is repeated with the coal fired stations. Coal costs a lot more in Britain than elsewhere and to get the price down to a competitive level it is calculated that the state would have to cut a further 30,000 miners, with all the related costs and perhaps yet again giving rise to dangerous social conflict.

The sale of the railways will be yet more difficult. They carry many passengers, often from poorer social groups, who cannot contemplate a further turn of the screw with increased fares and worse services (the memory of the series of disasters starting at Clapham Junction in December 1988 is still fresh).

For these two sales then we shall have to wait probably until after the next elections. For the sale of the electricity board the government has already changed plans several times, largely to remove the

tricky nuclear side to the business.

This has meant a slowdown in the rate of sales. It is to be seen if the shareholders will standby and look on, that is if a new shareholding class has really come into being as the Conservatives trumpet, or whether there will be a return to the old savings mentality.

So far we have only mentioned the liquidation of the economic aspect of the state. There remain two other arguments to pursue - the privatization of social services (schools, health, prisons, defence and police) and new projects in areas traditionally in state hands (railways and transport in general).

In the first case, after a mass of proposals, very little has really been done. The invention of a coupon system for schools (the coupons to be cashed in when and where the parents of the pupil choose) or the replacement of university grants by loans have not seen the light of day. Now there is talk of autonomy for schools with good schools able to attract pupils prospering and bad ones closing down. The same goes for the health system. But all in all there has been a failure in the project to make the services obey the rules of any other commodity on offer. The reduction of the role of the workers in these services to that of producers of commodities has created a weird and wonderful twist in bureaucratization - the state intends to find out where work is performed in the correct way. The cat chases its own tail. Instead of launching autonomous units freed from central or local control, there has been an only apparent increase in efficiency which has led to an addition to the work to be measured, that of the work of measuring.

In the second case we can see better than elsewhere the cracks in the privatization project. To speed up the process, the state wished to see rail projects ahead of time, before the sale of the railways and underground systems. Besides the identification of some light metropolitan railway projects (only that of London has come into being), there are the much more important Channel tunnel with the railway up to London and an underground line in that city too. All three projects have to be privately financed. But the construction industry still shows the symptoms of the deals in the past. The tender price is low enough to get the order, then the constructors begin to threaten that they cannot complete without more cash. So the Channel tunnel is behind as regards building works, but well ahead with the spending. The railway link to London will cost too much and is strongly opposed by local residents and ecology groups, included Mrs. Thatcher's husband who will see his house lose its value if the railway passes through the bottom of the garden. The companies that will be linked to the centre of London by the new underground line have shown only a limited interest in funding the project. So it seems that a new period of construction by and for private companies, the rule until 80 years ago, is unlikely to blossom unless the state intervenes in some way. British Rail continues to ask for funds to build links under the capital, but since none of them would make over 8% a year profit, they have all been rejected, and it is not really conceivable that private companies could do better. At present then the expansion of the rail transport system is limited to the opening (or rather re-opening) of some short lines and old stations.

A secondary aspect of privatization has been the sale of council and other state owned housing. In 1979 something like 33% of families lived in rented state housing. In the 1970s 4% of this stock had been sold and after the elections in 1979 the rhythm increased - another 6% went in 1980-82 alone. This policy is a clear example of the wish to create a group of owners even among low income groups and to

accelerate the establishment of a property owning democracy composed of home owners (now almost two thirds of families own their own homes) as well as shareholders.

The cuts

The policy of making cuts in public spending in the version put out after 1979 had two main reasons. According to the first of these, in line with the sale of state enterprises, there was the wish to reduce the state's weight in the economy, leaving economic reproduction, in a wider sense too, in the hands of capitalist economic forms. Secondly the state spending overruns were seen as a barrier to industry and to private enterprise that were unable to compete on capital markets with the state issues of treasury bonds, the famed crowding out hypothesis.

Thus in 1979 Britain entered a new season of public spending cuts without any precise goal. Only towards the end of the 1980s did a possibility emerge to eliminate the current borrowing requirement and then to pay off the accumulated debt. From the graph below we can see that the cuts in the current borrowing requirement did not begin in 1979 but a good three years earlier with a Labour government which, under IMF pressure, in four years managed to cut a good three percentage points off state spending in relation to the GDP and to reduce the borrowing requirement by almost two points. In fact already by 1984 the improvement was over and state spending touched a high of 46% of GDP, partly offset by the increase of income from sales of North Sea oil and state firms put up for sale. Only in the favourable economic climate of the period could a positive result be reached in 1987, followed by others in 1988 and 1989.

In terms of real spending at fixed prices, there simply have been no overall cuts. Calculated at 1988-89 prices, in 1979-80 the state spent £170bn., in 1988-89 £185bn. with £200bn. planned for 1992-3.

As regards the accumulated debt, it can be shown that the main decrease lasted up to the beginning of the 1970s when inflation took over in a slow depreciation of treasury bonds (long term and not inflation proof).

The only gold medal that conceivably could be handed out would be that for having by 1985 reversed the trend of increased state expenditure in percentage terms, just like the Labour government 10 years before, but this was only after reaching the highest ever peace time level, and a good 5 points above that inherited from the preceding administration.

Why has the result been so modest for this government that has gained international fame for its rigour? The answer is rather complicated. While the Labour government up to 1979 could cut heavily on capital expenditure (49% less for the regions, 38% less for the railways, 35% less on road building), the conservatives had the longer and more costly job of cutting costs in state companies, taking on all the reorganization costs and the increasing burden of unemployment benefits for the rising number of those sacked. Only later on did they get some money back through the sales of the companies and the fall in unemployment, with the added bonus of North Sea oil revenues and sales of state enterprises as we have seen.

If this policy is to be pursued up to the elimination of the national debt remains to be seen as does the possible benefit it will bring.

Wage and employment policy

The slow relative economic decline of Britain after 1945 led to the transfer of an increasing number of firms no longer able to compete on world markets to the state in an attempt to bridge the productivity gap between them and foreign rivals. Apart from buying them, the state could also promote a hidden type of protectionism. As the major customer on the market it could order exclusively from these factories and leave their inefficiency untouched.

Over the years fresh measures were required to maintain industries and employment levels. From 1959, but in practice 1960, a regional policy attempted to give some economic thrust to a huge area of the country (Scotland, Wales, Northern Ireland and the North of England too). Apart from capital grants and reductions in social security contributions, from 1967 there was also wage subsidization and a selective employment tax which effectively transferred money from the south to the rest of the country. Again efficient enterprises were milked to support those in difficulty or even those set up to receive state grants which then upped sticks and left.

The original criteria for the definition of regions to receive aid included unemployment over 4.5%. Obviously after 1973 such a policy would have to be applied the length and breadth of the country. So just when a regional policy would have to be generalized (for political reasons too: this was the period of maximum stress with the struggle in Northern Ireland and a rising nationalism in Scotland and Wales), it was no longer sufficient. So we saw the first job training programmes, which exist in other forms right down to the present, and job protection. With all these measures the Labour Government managed to hold unemployment down to 5-6% until May 1979.

The policy of protection and support was very costly and this cost did not get reimbursed by increases in productivity and competitiveness. The former remained stagnant while the latter saw between 1955 and 1985 a fall from 20% to just 7% of the British share of world manufactured goods sales, well below that of Italy for example.

The lack of a policy designed to cut the Gordian knot of low productivity - low wages meant that large costs fell onto the shoulders of public expenditure. In a society made up almost exclusively of employees, that is a regime in which labour and capital were entirely divided, there was an enormous gap between the quantity and value of the work performed and real wages. Not only were wages in the protected industries much the same as those in modern industries, but a high level of taxation coupled with an allround assortment of benefits both to the unemployed and to those in low paid jobs, meant that real wages had in many cases become institutional decisions.

To make matters worse, up to 1979 the state imposed a wages policy which further reduced wage differentials. It maintained the spending power of the weakest but almost froze all other wages and salaries.

Compensatory mechanism available in other countries are almost entirely lacking in the U.K. Small scale agriculture disappeared centuries ago, the numbers of the self-employed are very low, the small family run shop is on the way out and even the black economy (moonlighting, lump etc.) is both quantitatively and qualitatively restricted (5). The unemployed or the poorly paid have no alternative to subsidies from the state which, on the other hand, are given to all and sundry.

Thus the 'poverty trap' was formed. It restricts low wage earners to a cage that they cannot escape from even with quite large wage increases. The following table shows this clearly:

<u>Gross Weekly Pay</u>	<u>Real Income after Tax and Benefits</u>
£50	£88.89
60	88.86
70	88.34
80	87.81
(for a family of 90	87.46
2 adults + 3	87.43
children, 1983) 110	84.88
120	88.70
130	92.99
140	98.12

Not only did real wages fail to rise with gross wages, but they even fell up to £110 gross. Below these figures there are various benefits to the unemployed and minimum state pensions.

There was a clear response to this bizzare set up. No one could get a real pay rise without an enormous increase in gross pay, so during the 'Winter of discontent' (1978-9) wage claims were massive. An increase in productivity with the consequent bonus or the offer of overtime were counterproductive in pay terms for many workers. In certain cases workers preferred unemployment to frozen real wages (6) while those about to enter the labour market often turned down jobs as the pay could be below even social security benefit levels.

The new government saw that this system had to be demolished and to be replaced by basic concepts of economics. So the wage policy was immediately thrown out of the window, including one for the state's own employees (the Civil Service). Departments could now offer the wages they liked as long as they did not overspend.

The high taxes on incomes fell from the maximum of 90% first to 60% and then to 40% while the basic rate was cut in stages from 33% to 25%. It has been estimated that even with lower levels the total tax take has increased because people were more willing to work.

But the second part of the realignment with economic reality was not so easy. The starting point was the need to make wages and production correspond by means of wage cuts or by sacking excess labour.

As everyone can remember, unemployment soared to 13% despite attempts on the part of the government to dampen it. Firstly it tried to send school leavers directly on job creation schemes with the penalty of losing benefits if the job was turned down. Such a decisive policy had unexpected effects - many young people rejected the courses and got by with petty crime which with the riots in Brixton and elsewhere threatened to become endemic (7). For older people, the real unemployed, similar pressure was applied. They had to show that they were actively looking for a job and then to accept the first one that came along, even if the person was an ex-teacher or university lecturer (the professional register disappeared).

Unemployment began to fall to the present (June 1990) 5.7%, but estimates show that a quarter of the fall was due to statistical operations.

There still remains a hard core in the poverty trap. The figures in the table above from 1983 (fourth year of the Thatcher years) show that there could not be an immediate solution. Only with the Finance Act of 1988 was a change attempted but with little success (8). Finally

the question of the balance between increased taxes and falling benefit payments was not resolved. The marginal tax and contributions rate formed another earnings plateau even for quite modest salaries.

All this shows that the problem for the government was not merely political, a simple question of denying that the state had a role to play in adjusting wage levels or controlling unemployment. There was the worry of a social change, the elimination of protected jobs and the equivalent guaranteed wage. This elimination has had a great success as can be seen from the cuts in the workforces of backward factories. It remains to be seen if the new jobs created will be in line with the hopes both of the economy and the new workforce.

The result: mobility

If we have to follow the current trend of writing dictionaries of neologisms and new concepts, or glossaries of explanations and abbreviations, here we could offer a key work describing the period and to supply a range of meanings inherent in it. So mobility, not mobilization, the failed form of years of consensus politics which created only new structures born arthritic and condemned to be broken up when various struggles called for altogether other economic and social articulation.

Mobility first for capital. The liberation of capital from state export controls went hand in glove with the strong pound policy and thus gave rise to an influx of short term capital borrowing from abroad (bank deposits), sucked in by very high interest rates. In the meanwhile, the anti-inflation policy caused many producers who were unable to compete on the capital markets to close down, leaving only those companies able to bear high interest rates because of their promising performances. Thus the flow of capital could begin to enter long term investments. The state's policy of disinvestment in companies acted as a kind of reverse pump priming. Normally, to remove the log-jam in the investment market, the state turns up first with some capital to inject, so attracting private followers. In this case it was by means of disinvestment, with the offer of companies below market price, that the market began to grow again. The twin objects of the operation were the liquidation of the devalued capital, so freeing the funds used to keep this capital alive, and secondly to draw in capital blocked in the form of savings, that is small investments held as bank deposits or in house mortgages, if not in fact treasury bonds. The social effect has been outlined. In 10 years the number of shareholders has risen by 600% and the share of family income invested in shares is rising rapidly too, while in other European years there has been a downturn since 1987. It seems most unlikely that this flow of investment will be temporary - a return to real estate investment has been blocked by the collapse of house prices and the high cost of mortgages. Once again, one can only guess what balance sheet can be drawn up in a few years time regarding these social changes.

Mobility also came into the labour market. Employment protection was cut to the lowest level acceptable to EEC regulations and the unions lost all extra-legal contractual powers (privileges in negotiations and representation, control of new hirings, closed shop, use of picketing and secondary action). But it was above all the end of taking on new workers and the rise in unemployment to 3m plus that really wore down the pre-existing system. If the level of unemployment is a quantitative index of the change brought about (and now it is down from over 13% to below 6%) what is even more important is the type of unemployment.

The end to grants for all in the regions, the slamming shut of the entrance to the state holding for companies in bad waters, the turning

off of the tap of direct and indirect aid (financing and services, low cost supplies and favours in tendering) and above all the reorganization of state companies and their services led straight to the removal of many groups of workers that had been up till then protected by a strong trade union body (often closely linked to the Labour Party). A classic case was that of the party and the miners' union. Thus the communities which had grown up around the coal mines, railway depots, steelmills and car factories and so on were attacked and routed. The same type of action was common also among private industrialists. We could recall the destruction of the castles in the newspaper industry forced out by production changes and the abandonment of the centre of London. Ford Dagenham, the theatre of recent struggles, also seems to be on the road to closure. The close downs are extremely numerous: 3 main steel plants out of 8, 4 out of 7 Leyland chief factories (but now the firm has been split up and sold off, Rover going the Japanese and the aerospace industry and Jaguar, after a short honeymoon with small shareholders went to the Americans of Ford). The coal miners in 1980 numbered 200,000, but now only 90,000 remain, and 30,000 more must go to make the mines profitable. The number of pits closed over the period amounted to 42% of the total, almost all being shut after the strike and entire coal fields have ceased to be productive (in fact there are now only 70 pits, in 1984 there were 170 see The Economist 14.7.90.). The cross Channel transport system will also be run down and the number of ferry ports and the ferries themselves will be cut to the bone. In almost all these cases there was massive and prolonged resistance, but without the slightest effect, if we exclude some extra state aid to areas hardest hit. But the main effect was to create a mass of people who have to (or for their children will have to) enter or re-enter the labour market with only their labour power on offer, the qualifications they had were quite incompatible with modern production.

Clearly the period has been quite unfavourable for the professional groups, the corporations. A decline in the population of school age (now terminated) allowed the state to cut several tens of thousands of teachers. The remainder were forced to accept a very unfavourable contract while the state pushes ahead with its plans for autonomy for schools and thus the competition between them. The same policy is underway too for doctors. Hospitals and surgeries will have to compete and in the meantime must run their business more in line with current business practice. Obviously the reform entails a major bureaucratic work load, but the badly handled opposition of the doctors' association (the BMA had posters put up throughout the country attacking the Minister personally: "What do you call a person who ignores his doctor's advice? Mr Clarke") had absolutely no effect.

The same procedure is valid also for professionals in the private sector. The false distinction between jobber and broker on the stock exchange was abolished by law in 1986 after a long battle over self-regulation and responsibility. In that period the stock exchange boom (partly a result of state sales) could mop up the excess workforce, but since October 1987 there have been many lay-offs, sackings and even close downs. The Speech from the Throne at the beginning of the 1989-90 Parliamentary session announced also that lawyers and notaries will soon be reformed.

The various monopolies and guaranteed high incomes for those in house transfers, a particularly active market in these years, which were bread and butter (but also cake and jam) for many in this sector will soon be a thing of the past.

The institutions too have been involved in this change. The old division between banks and building societies is fading. The banks increasingly offer mortgage terms and the building societies offer cheque books. Nor are the insurance companies left out and are making agreements to have their products more widely on offer. In short, the old idea of single use savings (to get a mortgage, the invest in a pension fund or to buy a car) is fast waning under the pressure of the forces of a liberated capital market.

The other face of mobility is the use to be made of the huge number of people who have to change their jobs and where they live, a direct outcome of the demolition of a number of old enterprises by the state and private concerns.

The state obviously cannot wash its hands of the question of unemployment, seeing it as a method to reduce labour costs to those of competitors, because the labour power newly on offer was not of a qualified kind.

Young people were pushed into various job training schemes over and above the pre-existing ones, but now aimed more at giving instruction in basic jobs skills strictly required by the world of work instead of trying to establish fixed jobs for a person with a narrow series of skills, unusable elsewhere and thus reproducing another level of social immobility. But most of all it was not the lack of proletarians that mattered, but the lack of capitalists (9).

The state offered subsidies to new small enterprises in the areas hit by pit and factory closures. At first this was a disaster and in the first year only 20% of new firms survived, but now apparently there has been some improvement.

While the strategy of offering shares to small savers has been a major success, that of providing the conditions suitable for the rise of new entrepreneurs has not drawn the same attention. The failed new entrepreneurs were often ex-employees (or their children) with very little business experience working in areas of economic decline without any chance of enlarging the firm's activity geographically. Even some of the symbols of the period, the businessmen who had developed firms out of nothing, trumpeted by Thatcher and made barons etc., ended up with their empires in receivership (Laker etc.).

There is no index for the level of entrepreneurial skills. However, the percentage of self-employed people out of the total workforce in the six largest western economies was the lowest in the U.K. (8%), while Italy (28%), Japan (27%), France (18%), W. Germany (13%) and even the USA (10%) were well ahead. By 1987 this percentage had risen to 11%, above that of the USA, but far behind all the others. It seems then that the formation of a small entrepreneur class remains to be seen since the increase in the number of shareholders has not been followed by an increase in this sector (10).

For the rest who did not enter the thin blue line of new entrepreneurs there was always the mobility of the previous decades and centuries. Emigration to the more productive areas where there was still some demand for labour was the order of the day. In simple words, there was a new drift to the South like that of the 1930s when thousands moved to London and the Home Counties. Cuts to the regional policy could only accelerate this and another twist was the cancellation of a decades old programme to transfer tertiary activities from the capital to the provinces. So alongside permanent moves to the South in search of jobs in an economically strong area, there has been a massive growth of long distance commuting, even on a weekly basis.

This, however, took place at a time when cuts were being made in public transport and road building. Everyone knows what happened. The opening of the M25 ring road did not improve journey times but created enormous traffic jams. The series of disasters on the London underground and suburban railways are witness to overcrowding due to lack of investment planning. For example, on the fast up-line where two trains shunted one into another near Clapham Junction in late 1988, there are 24 trains per hour on the timetable. A less dramatic effect is the series of delays and cancellations that can only lengthen the unproductive part of the working day.

In other words, the geographical mobility of the labour force contrasts with an increasing real immobility which even new (private) investments cannot alleviate because these investments are aimed at making a profit out of the congestion itself and not at acting systematically throughout the transport network. Will the state soon be faced with the single option of repeating its success in labour mobility with a policy cutting across the grain in the field of transport privatization?

New labour relations?

Social and geographic changes have produced major differences in struggles after 1979 compared with previous years. The role of the trade unions has declined as a result of their disintegration while among the rank and file there has been a highly complex recomposition.

The unions reached their historical maximum in 1979 both in terms of power wielded (entry into the state, contractual rights, lack of legal control) and in membership. Then there were 13m signed up, now 9m, in percentage terms, a dive from 52% to 40% of the total work force. There is the apologetic explanation that mentions the hostile stance of the Thatcher government, its legislative activity which cut off any recourse to extra-legal action, and to the rise in unemployment. While the first reason may have some validity, the second cannot conceal the real nature of the change. Unemployment (that is sackings) in industry (extractive, manufacturing, gas electricity and water) involved 2,200,000 between 1979 and 1987 (the steelworks, railways, mines and state car works contributed 700,000 off their own bat), a figure well below that of the loss of trade union membership. All the more so because before 1979 there had been a rise in membership while there was a fall in those employed.

We should therefore seek a deeper underlying reason that led to the rejection of the unions in the 1980s. First of all the unions between 1976 and 1979 took on the job of the policing of the social peace based on an anti-inflation policy. When this policy failed in 1979 and was substituted by another, no longer depending on trade union interference, there was a return to the use of old methods of class struggle to protect groups who were facing the sack. In this new context, these methods were quite useless and led to the total liquidation of strong traditional worker vanguards in the mines and elsewhere. The methods were unsuccessful not only because the battle was fought entirely within trade union terms (even though there were major attempts to organize the struggle autonomously) but also because the new laws on trade unions had limited trade union action and when the law was broken the judges could call for the sequestration of union funds. Emblematic of this was the defence of the NUM headquarters against seizures during the strike while in the coalfields and elsewhere there were too few pickets.

The reaction of the unions to the impotence of the old tactics was extremely varied. Some went on as if there was nothing to do, only hoping for better times (that is, the election of a new Labour

government), while others, especially in growth industries, tried to be more 'realistic'. So part of the miners' union split away from the NUM and refused to follow the strike leaders. Now it even wants to buy the industry, at least the profitable part, that is, where its members work. Other unions, who were not directly threatened by such an "abandon ship", tried to sign anti-strike deals with employers so as to gain a monopoly in trade union representation in the factory. Here two names stand out - the EEUPTU, which has now been expelled from the TUC and, a less well known case, the AUEW (11).

The arrival of 'business unionism' was obviously not the case of an actor in search of a role: if anything there were two (at least) historical forces that were again coming into confrontation after the whipping of the early 1980s, splits being inside both the industrial proletariat and the industrial bourgeoisie (that is between modern and archaic sectors, both as regards the industry and as regards the class struggle). As far as the companies were concerned, there were on the one hand large industries which used central wage bargaining and so sought a modus vivendi with the unions, but on the other the smaller companies, or even large firms already reorganized into semi-independent sectors (some of the state enterprises put up for sale fall into this category) where the calculation of costs, profits and productivity was more precise and the relations with the labour force more direct.

Glancing at the figures the change in the relative importance of the two groups within the two classes is clear. In 1986-9 there were on average 3.1m strike-days a year (a very low figure compared with an average of 11.7m between 1974 and 1979), but while in 1987 the non-union strikes represented only $\frac{1}{2}$ m days, this rose to 1.5m in 1988. Over the previous years there had been a series of articles in the financial press that showed that wages were rising too fast for an economy in crisis and that this rise did not even bring with the comfort of a reduction in basic conflict, that is of the type that usually passes unnoticed because of its type or because of its distribution. In all of these cases the government's legislation was of no help at all and even recourse to a union could be harmful (12).

So in 1988 a series of strikes showed again that the rise in productivity, the fall (at least in the South-East) in unemployment, and the failed reorganization of both private and public industries had not altered the situation as expected. There was a strike in the post office under trade union control to halt a project to give bonuses only to workers in offices with recruiting difficulties. Then in 1989 railway and underground workers struck not only against a meritocratic pay proposal but also to obtain some gains equal for all. The railways even reached the point of paying out a productivity bonus simply to get drivers to turn up for work (as if they were lay members of the board). Even in the schools, where there have not been any really significant strikes, the state has been forced to take emergency measures to recruit teachers in Germany, Denmark and the Netherlands (all they have to know is how to speak English).

This is the other side of the coin as regards mobility. After years of low pay, sackings, reorganization and increases in work loads, many workers in schools, on the railways and in hospitals have taken the government's gospel to heart. They have been told to look for other work, to make themselves available for retraining, and now have done so, but leaving an enormous gap in the personnel to be filled.

This will be difficult because the very beginnings of the state's wage and employment policy were centred around the break up of groups that had formed around the major state enterprises and services. With these groups there was also the loss of an inheritance of co-operation and family tradition that once cost the employer not a brass farthing and will now have to be rebuilt from nothing.

Up to now the only government proposal has been the announcement of the new law to limit strike activity, this time for unofficial strikes. This is a simple recognition of the fact that preceding legislation is inapplicable outside the sphere of hostile relations with unions in state and private monopolies (above all the coal miners and the ferry crews). According to the new law, the unions must, if they wish to avoid fines, attempt to get their members back to work or, if this fails, wash their hands of them. The unions can no longer pretend to do nothing in support of the strike and then have their leaders turn up in various unofficial forms. But this government tactic seems all wrong-handed. After having whipped the unions to the backbone, the state would now like them to become a new police force, like 15 years ago. This time the bourgeoisie believes more in the market and thinks less about a return to rather heated disputes than to the cooling effect of a depression as a response to an overheated economy.

Consensus to the Thatcher Government

The arrival of the first Thatcher government made it difficult how to discover where the consensus derived from, even at an electoral level. In fact the groups which protested against the wage and fiscal policies of the last Labour government and thus had everything to win from a Thatcherian policy formed just a minor part of British social reality. The elections of 1979 saw a vertical drop in the unskilled workers vote for the Labour Party from 60% in 1974 to 40% in 1979. Just 5% above the level of the Conservatives. The Conservatives can often point to the fact that almost half of the trade unions members voted for them. This reality can be interpreted in two ways. Either the members were tired of the agreement over wages reached with the government and were not too happy about the state-union role that their leaders wanted to play. Or, on the other hand, the members in competitive firms wanted to have wages linked to productivity rather than an anti-inflationist type of wage indexing which had collapsed anyway in the winter of 1978-1979. The elections also raised the question of regional differences. The Labour Party lost in the South most of all, in the area containing more modern industries and services and not having the problem of the North, Scotland and Wales where industry is often in the hands of the state and where, thanks to the lack of a Tory-socialism based on an attack on Labour managers sitting on the boards of nationalized enterprises, the Labour Party could hold on. In Scotland and Wales there is resentment in the fact that at least formally the Labour government fell over the question of granting autonomy to the two regions.

Among non-manual workers the Conservative Party has always had a majority of the vote. It was 60% in 1979 but over the decade fell to 55%. These people, it could be judged, are better protected from economic shock waves as they are based in more modern industry. Besides, they may be more open to a policy of 'new realism' than to state control of wages and other aspects of the economy.

The traditional Tory groups have not had a decade all to themselves. The monarchy is practically snubbed, the House of Lords is barely tolerated because it represents along with the monarchy the source of a paternalistic anti-capitalist approach to society symbolized by the old aristocracy. Equally disliked is the Church of England, the

so-called Conservative Party at prayer, because it represents the aristocracy and a kind of rural do-gooding.

Thatcher's Cromwellian pose in dealing with the old Conservative barons may be explained by the fact that her father, a small to middling grocer, failed in the 1930s and was thus rejected by the Conservative Party for which he was a local councillor. Mrs. Thatcher does not hide her dislike of Conservative mandarins at all well.

Instead she strongly backs the nouveaux riches who made their way up to the top all alone. Many are even more abrasive than herself and, horror of horrors, some are not of English descent. This is more seriously reflected in the divisions in the capitalist class. The CBI has by now been convinced that the Thatcher government is a good thing, but when it was forced to slim drastically in the early 1980s she was considered to be mad. The chairman of the confederation stated at a meeting that sometimes industrialists would have to come to fist cuffs with the government as the latter contained people absolutely ignorant of economics.

There are still some entrepreneurs who dream of a return to past times with nice government contracts or at worst subsidies. But on the other hand the Institute of Directors has never hidden its support for the economic policy. Its members generally belong to more modern enterprises (generally not in the hands of a family-shareholder) and so better prepared to beat off the competition. So again we can see that attitudes towards the government are not purely a question of class. There is a split also between the efficient operators, who have been amply rewarded by government policy, and inefficient ones whose parasitic nature has been punished by the withdrawal of subsidies.

The picture for the traditional bastions of Conservative support (the middle classes, professionals, career civil servants, teachers, police and the military) is rather confused. Certainly they too have had to contribute to the modernization of the state, even if in a contradictory manner. A large chunk of the Civil Service in the ministries has been transferred, without the old privileges, to the private sector along with the activities previously run by the state. Teachers have had their social position undermined while the police, even if they have received substantial wage increases, have also had their work cut out for them. The military can still be sent off to get killed in a distant part of the world. This worsening of living conditions may be partially masked by an extremely hierarchical structure. A slow plod up the grades and scales of the career structure can compensate for the negative aspects of the job.

Apart from the various classes that may or may not support the government's policies, and we have seen that they often divided internally with people in many cases continuing to be fans of the government even though they have not received any favourable treatment, there are groups cutting across this spectrum. The buyers of council houses as well as 12m shareholders do not want to hear of the return of the state-landlord or state boss, even if they in the past supported Labour governments (and due to them were provided housing and perhaps even a job).

It is a paradox that a government which declares itself in favour of a reduction of the importance of the state in the economic sphere uses just its own economic policy so perversely to get votes and draw consensus. Obviously it is too simplistic and crude to say that all the government has to do is keep 40-42% of the electorate on its side so as to be able

to form an ultra-stable parliamentary majority, because the remaining 60% would use any alternative means to reach its ends (and an example of this is the revolt against the poll tax which has led to massive civil disobedience and worse). Rather we should think of the structure based on the ability of representative democracy to absorb even the hardest social contrasts to resolve, something that in these years has been somewhat refined by the removal of the trade unions from political life. It is because of the government's economic policy on the one hand and the exclusion of the unions on the other that (and thanks also to favourable economic conditions) political stability has been maintained.

Conclusions

There are two questions to be considered in evaluating the substance of the changes over the last ten years, one empirical, the other theoretical. Perhaps reading this text will show how much has been done to relaunch the economy and society, but all the same there is a fear of a return to the past after a few years of boom, to the old story of slow growth, well below the EEC of OECD average (the U.K. was 19th out of 24 on the OECD scale in 1989 and will be 21st in 1990). That this rate of growth comes after an almost total opening up to the world economy and a huge reduction to the tax burden does not seem to be a very favourable sign. But the brake on growth was put on by the state itself to halt the return to run-away inflation (9.8% and rising in June 1990), the highest of any leading Western nation, worse even than Spain and Italy. That the state fears the functioning of the market (i.e. free enterprise in action) being incapable alone to see things right is not just a bad old habit, a left over vice predating a substantial free trading policy, it is a clear comment on the market's ability to balance things out too.

Thus we arrive at the second problem. It is another paradox that to abolish the state's hold on the economy it was the state to move while economic agents were divided internally and appeared quite confused. Thus we seem to have the confirmation that the state remains an economic agent even when it does not want to be one. There are obviously various ways to interpret this contradiction. One could talk of the country's weakness. It is no longer the world's leading military and economic power able to enforce a century long pax britannica, gold standard and free trade to suit its ends. So the country has been forced to accept various mixed solutions (like the EEC) so as to be able to survive, but by so doing weakens its independence on the markets. If we add another reason, the not always favourable economic climate, we come to the theory that we are talking about a long-term economic refoundation, but forgetting to say what are the instruments to be used to make this leap. But the super-power of 150 years ago is certainly not the ex-Belgian Congo on the day of independence, totally unable to face up to the cold wind of change of economic relations.

This leads on to a provisional balance sheet composed made up of a series of questions. Can the state simply stay out of certain fields so as to favour free enterprise in a market that now has world dimensions, even if not perfect? Or does the exit of the state produce no advantage? The relative purity of the British experiment (perhaps it is not altogether incidental that Mrs. Thatcher is a chemistry graduate) compared with the alternatives of Reagan (and before him too Carter with deregulation), the Japanese or even the various policies of cuts and sales announced or put into action by various countries (but which often smell of financial necessity rather than any particular wish to recalibrate the economic structure) perhaps indicates that the highest goal to be reached by

government policy is holding the state expenditure down to a certain percentage of the GDP, a minimum that cannot be lowered, and the balance between state and private, but always bearing in mind the speed with which classes change.

Footnotes:

(1) The following article was written in January 1990 and published in the Italian review Collegamenti no. 26. This should explain why a large amount of the detail will be well known to British readers. However, apart from a few updatings of facts and figures, there have been no substantial changes to the text. The article was an attempt to discuss the role of the state in the 1980s in a broader context (there were many discussions about changes in other countries in the relations between the state and the economy, concerning both the current period - the changes in Eastern Europe, the USSR and China - and in the past - a discussion of various sources on the 1930s in Germany). This meant that material on the class struggle did not form the core of the article, but much material had already been published in Collegamenti on this.

(2) Obviously some firms were ready for sale straight away as they did not need to be reorganized first. The first important sale was of BP which had already been partly sold off by the previous Labour government. The relative importance of oil and natural gas production and distribution companies, including sales of licences to explore, was overwhelming and only years later were the industrial and transport concerns ready for stock market quotation:

Financial Year	Total sales in £m	% sales of oil sector firms
1979-80	370	75
1980-81	405	48
1981-82	493	--
1982-83	578	63
1983-84	1,157	72
1984-85	2,551	23
1985-86	2,787	15
1986-87	4,489	57

Here we can clearly see that the policy was initially only the result of the lucky windfall of the discovery of North Sea oil in the previous decade.

(3) The criticism of the government by the capitalist class obviously takes another line. While the private sector was happy to get back firms lost in the past, even if with a rather strange and unpredictable group of shareholders, it began to dig in its heels when the sales policy became an institutional effort to fund the repayment of the national debt. This confrontation has not yet come out in public, but the possibility of an economic slowdown coupled with credit restrictions will not help (private) business at all if the government continues to absorb liquid capital by launching other sales in an inflationary context.

(4) By social it is meant a policy to change the society, not to act as a welfare institution.

(5) The most frequently quoted source is the declaration made by the former head of the Inland Revenue in 1977 which, with its typically sibylline prose, informed us that a black economy measuring 7.5% of the GDP "is not implausible". But most authors have made estimates that are not even half that figure. 'The Black Economy in the U.K.' in The Underground Economy in the United States and Abroad ed. Tito Tanzi (IMF), Lexington, Mass. 1982, p. 163 gives a mere 2.5%; Stephen Smith in his Britain's Shadow Economy, Oxford 1986 p. 191 estimates 2.5 - 3%; The Economist 24.1.87. also speaks of 2.5 - 3% without quoting a source, while yet another author

(5 cont.)

Edward Smithies in The Black Economy in England since 1914, Dublin 1984, makes no estimate at all. Philip Mattera in Off the books, London, 1985, only quotes the figures given above. If we compare these figures with those for the black economies of the USA and Italy, with current estimates of 10% and 17.8% of the GDP respectively, we can understand why the British black economy has very little real relevance even for researchers: the books quoted above are almost the grand total, nothing in comparison with an endless detailed literature on the subject produced in the USA and Italy.

(6) On this there is an interesting article in The Guardian 5.10.85., quoted in Echanges no. 46. It appears that 300 workers chose to be sacked rather than see their wages frozen at £88 per week for 18 months and the working week increased by 90 minutes. No doubt similar choices have been made both collectively and individually.

(7) It should be said that the revolt did not have an economic aim, such as sacking shops. Also for the question of hooliganism it is clear that youth (and not so young) violence represents something different from total economic marginalization (football tickets and alcohol cost money). This suggests that the benefits system continues to function while that of social control does not.

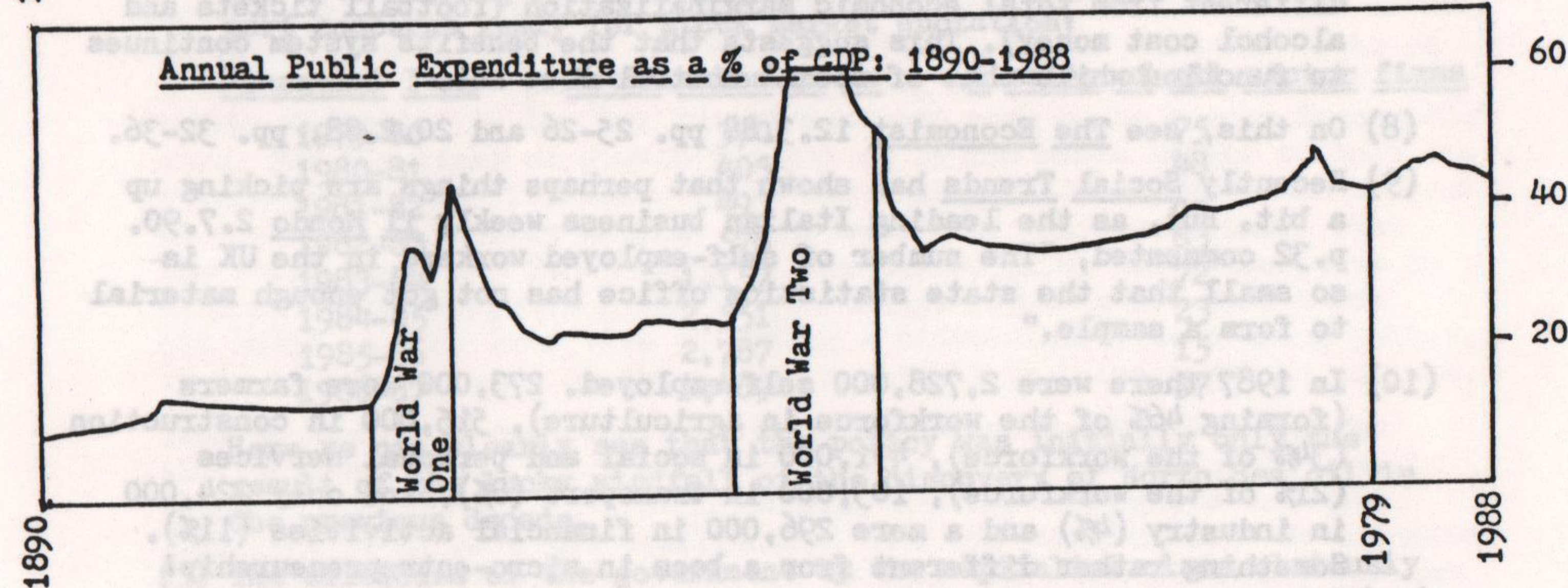
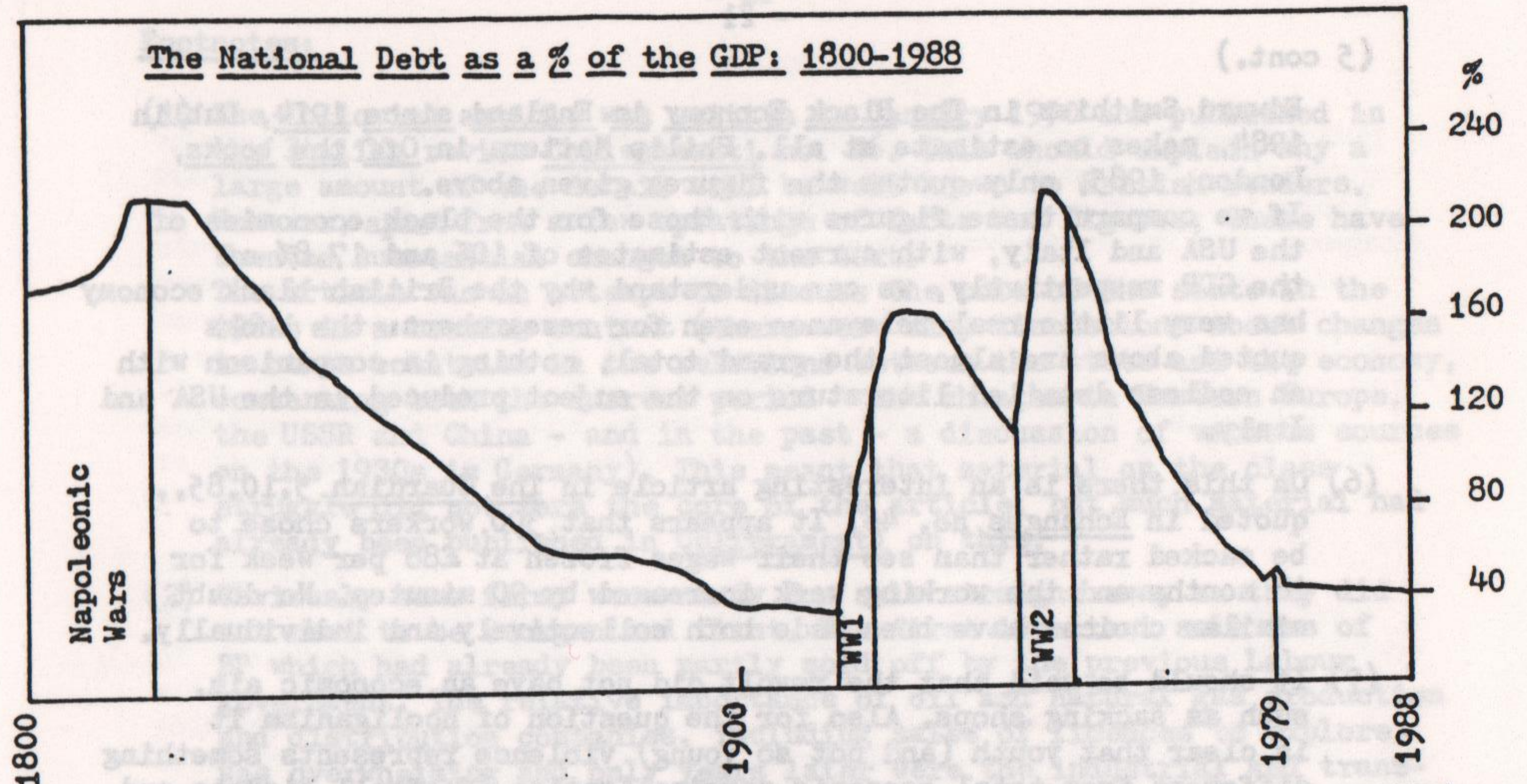
(8) On this, see The Economist 12.3.88 pp. 25-26 and 20.2.88. pp. 32-36.

(9) Recently Social Trends has shown that perhaps things are picking up a bit. But, as the leading Italian business weekly il Mondo 2.7.90. p.32 commented, "The number of self-employed workers in the UK is so small that the state statistics office has not got enough material to form a sample."

(10) In 1987 there were 2,728,000 self-employed. 273,000 were farmers (forming 46% of the workforce in agriculture), 515,000 in construction (34% of the workforce), 491,000 in social and personal services (21% of the workforce), 105,000 in transport (8%), and only 224,000 in industry (4%) and a mere 296,000 in financial activities (11%). Something rather different from a boom in micro-entrepreneurship!

(11) The two extremes of trade unionism came to the fore at the 1985 TUC Congress in a clash between Arthur Scargill and Frank Chapple. The question of business unionism was dealt with by Henri Simon in Collegamenti nos. 10 and 15.

(12) The picture here is very confused and incomplete. See Echanges no. 37-38 on an unofficial strike (later on against the union too) in the North Sea shipbuilding industry, a similar experience in a petrochemical complex (here against the electricians union) in no. 39, the comments on an article entitled 'In place of strife' in Management Today, January 1984, in Echanges no. 40 in which it is commented that while the Conservative legislation may be effective in dealing with national strikes, at a local level it can be negative. In no. 41-42, a Financial Times survey (9.4.84.) is quoted to show that the capitalist class is in no way united on a single policy to emerge from the crisis. Finally in no. 48 the Financial Times is again quoted to show that salary rises are greater than in the past and that unemployment does not seem to have effected them.

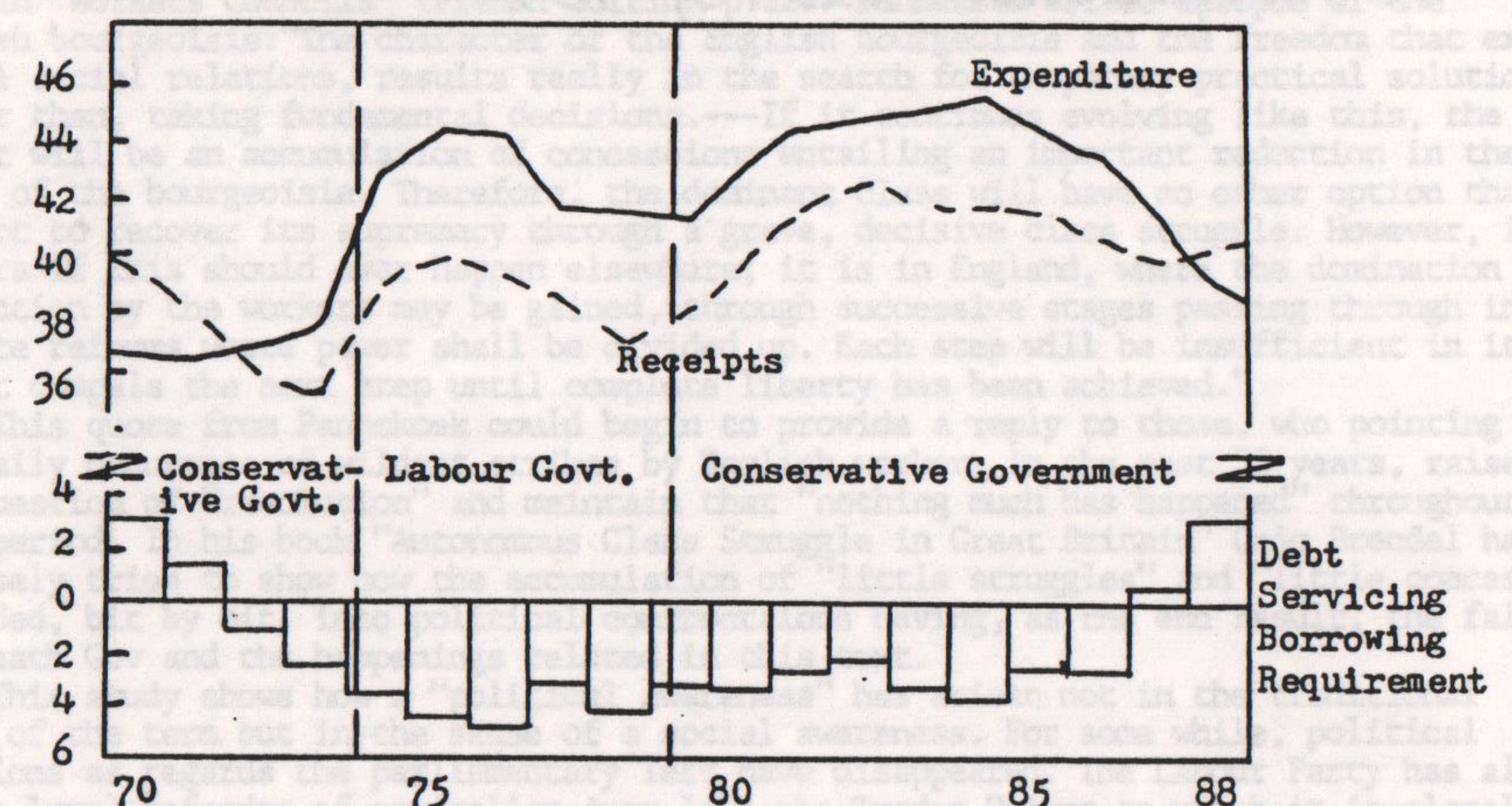


POLITICAL SOLUTIONS TO CAPITAL'S PROBLEMS?

In an interview in the Sunday Observer (18th Feb '79) at the height of the truck drivers' strike, a French trade unionist said, apropos of the situation in the UK: "The single thing to bear in mind is that the UK is 20 years behind the times".

There is some truth in this comment if one regards as modern for example, the capital structure of France and Germany and in particular the wage structure and the role that they play in the economy. The social and political crises in the UK during the winter of 1978-79, in particular the strike of the dockers and the miners, are the result of the failure of the Labour Party to bring about a fundamental change in the structure of the economy. As the first step towards this, the Labour Party should have introduced a system of nationalisation of the major industries and services.

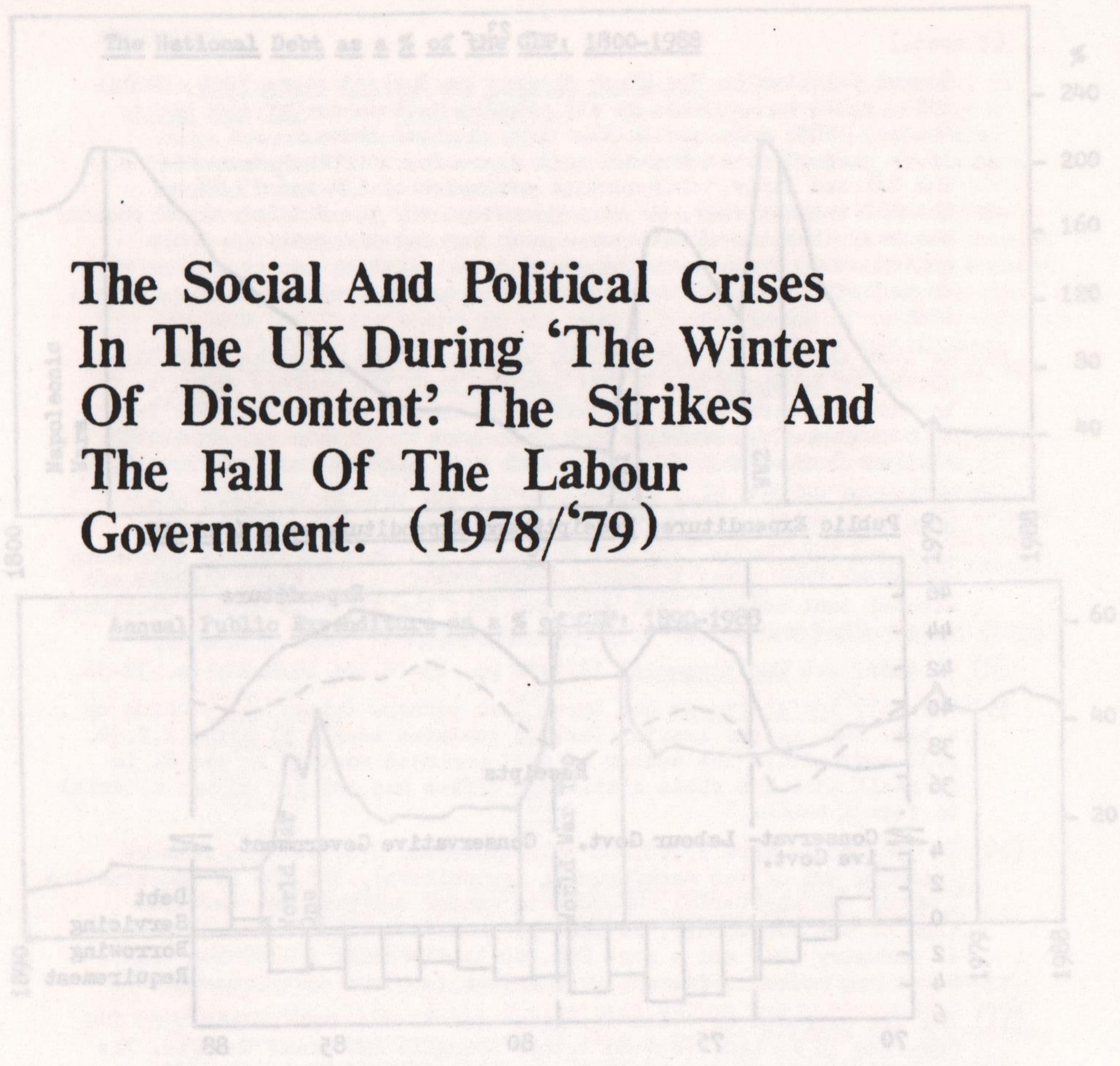
Public Expenditure: Receipts and Expenditure as a % of GDP



the political solutions, the end of the process in the UK is the result of the failure of the Labour Party to bring about a fundamental change in the structure of the economy. As the first step towards this, the Labour Party should have introduced a system of nationalisation of the major industries and services.

One finds in Cajo Brendel's book, a detailed description of the '72/'74 struggles in particular miners and dockers which brought about the fall of the Conservative Government. The strikes weren't particularly directed against it but in his attempts to suppress them E. Heath had on various occasions, made spectacular about turns under threat of a spontaneous general strike. Capital had to find a "political alternative". The Labour Government supported by the unions, now launched the new politics of "social contracts" and freezing wages, whilst inflation absorbed the hefty increases obtained in '73/'74. By means of wage/productivity agreements, it tried in addition to overcome the "sickness" of British capital. The low productivity of capital was due principally to the workers' resistance to "atomization" and to speed-ups. In this close alliance between the social democratic Labour Party and the Trade Unions, some thought they saw there the affirmation of "trade union power". What is certain, is that Capital "provided an opportunity" to the

The Social And Political Crises In The UK During 'The Winter Of Discontent' The Strikes And The Fall Of The Labour Government. (1978/'79)



POLITICAL SOLUTIONS TO CAPITAL'S PROBLEMS?

In an interview in the Sunday "Observer" (18th Feb '79) at the height of the truck drivers' strike, a French trade unionist said, apropos of the situation in the UK: "the single thing to bear in mind is that the UK is 20 years behind the times".

There is some truth in this comment if one regards as modern for example, the capitalist structures of France and Germany and in particular the union structures and the role that they play in the control, that is to say, in the repression of the autonomous movement of the base. Such reflection only notes a particular state of things relative to another and says absolutely nothing about the wheres' and whyfores' of the situation. The real question is why after 30 years, other European capitalist countries have been able to transform themselves, in order to adapt to the necessities of technical evolution, while English capitalism has remained stuckfast. Yet English capitalism had been the world's first capitalism and its 19th century Imperialist domination has had no subsequent equivalent. As the first country to undergo a capitalist transformation it does not necessarily follow that the UK should be the first to enter on the path of capitalist decomposition. It merits therefore a careful analysis especially those phenomena that are appearing elsewhere.

In "Workers Councils" (French edition p.229) Pannekoek writes apropos of the English bourgeoisie: "The character of the English bourgeoisie and the freedom that exists in all social relations, results really in the search for temporary practical solutions, rather than, taking fundamental decisions.---If it continues evolving like this, the end result will be an accumulation of concessions entailing an important reduction in the power of the bourgeoisie. Therefore, the dominant class will have no other option than attempt to recover its supremacy through a grave, decisive class struggle. However, it appears if this should ever happen elsewhere, it is in England, where the domination of production by the workers may be gained, through successive stages passing through intermediate reforms where power shall be divided up. Each step will be insufficient in itself but it compels the next step until complete liberty has been achieved."

This quote from Pannekoek could begin to provide a reply to those, who pointing to the daily occurrence of wildcat strikes by English workers in the past 30 years, raise the question of "revolution" and maintain that "nothing much has happened" throughout this period. In his book "Autonomous Class Struggle in Great Britain" Cajo Brendel has precisely tried to show how the accumulation of "little struggles" and "little concessions" unfolded, bit by bit, into political confrontations having, as the end result, the fall of the Heath Gov and the happenings related in this text.

This study shows how a "political awareness" has arisen not in the traditional sense of the term but in the sense of a social awareness. For some while, political illusions as regards the parliamentary left have disappeared. The Labour Party has always been a loyal defender of capitalism just like the Trades Unions to which it is closely linked. But this social awareness has not been accompanied by constructing different organizations or, by the struggle to transform old organizations. Rather it has expressed itself by the disappearance of the dominant ideology in social conflicts of every variety and each time that the workers are directly concerned to stress individual or social interests of the class above those of the so-called general interest. This is why, utilizing the existing structures of domination, the struggles take on a different character and why the conflict between repressive forces and autonomous action is not situated on the level of violence but on internal guerilla action in terms of power.

One finds in Cajo Brendel's book, a detailed description of the '72/'74 struggles in particular miners and dockers which brought about the fall of the Conservative Government. The strikes weren't particularly directed against it but in his attempts to suppress them. E. Heath had on various occasions, made spectacular about turns under threat of a spontaneous general strike. Capital had to find a "political alternative". The Labour Government supported by the unions, now launched the new politics of "social contracts" and freezing wages, whilst inflation absorbed the hefty increases obtained in '73/'74. By means of wages/productivity agreements, it tried in addition to overcome the "sickness" of British capital. The low productivity of capital was due principally to the workers' resistance to "modernization" and to speed-ups. In this close alliance between the social democratic Labour Party and the Trade Unions, some thought they saw there the affirmation of "trade union power". What is certain, is that Capital "provided an opportunity" to the

Trades Unions to introduce new standards to control labour. What happened in reality is within the extension of trades unions' rights - an extension made necessary by the increased influence of the rank 'n' file in the preceding period - one saw, after a truce, a slow escalation of the same rank 'n' file conflict that had presided over the fall of the Heath Government. It is equally certain however, that the Labour Government - Wilson first then Callaghan afterwards - could not obtain this truce and give some credence to the "social contract", other than, at the cost of granting multiple "partial concessions" of which Pannekoek had spoken. Once granted they would be difficult to get rid of - re-inforcing the power of the rank 'n' file it had to stem. One could say really that this new politics failed, faced with the power of the rank 'n' file, precisely at the point when the world crises' made it ever more necessary for capital to intensify exploitation. This political departure has to be defined but for the time being it has the appearance of re-inforcing discipline.

Apart from inflation and using unemployment, it is difficult to see what the means are going to be to carry it out. Similarly one cannot say when the next confrontation will occur - the form depending on the world crises - when the power of the State shall implement direct repression and which group of workers shall be the first to engage openly in struggle.

One could be tempted to delineate the moments in the past year (1979) by referring to events in the political arena. All that does is reveal an ignorance of the English situation, where in comparison to France, political change only marginally affects the character and nature of struggle. It isn't possible to define stages, only periods in which struggle accelerates and conflicts with the State take on a more overt form. Often there isn't even any confrontation, everything passes off peacefully, but the political consequences are serious. Much has been said about the '79 January and February strikes especially on the truck drivers' strike. Yet it was the Ford strike four months previously, the most peaceful and "classical" strike, that had breached the dam of the social contract, demonstrating the failure of the Government on the social and political plane. The conflicts that followed have only underlined this impotency and the dissolution of Parliament and the holding of new elections and the formation of a Conservative Government has done nothing to moderate the struggles that are unfolding under forms as different as those that had preceded them.

To mention union power is justified by the fact that the great majority of them were union strikes, that is, "recognised" by the unions after some time had elapsed from when they broke out. They were spontaneously led mostly by shop stewards or by "unofficial" shop stewards committees. In fact, judged from this point of view, one can observe a difference between the preceding period, when many of the struggles were wildcat strikes and were in opposition to the union bureaucracy. However, nothing had changed as regards the outcome of daily struggles whose effect often was as important as the "big strikes". (One example which we will be dealing with later on, is the toolmakers strike at British Leyland). The relative speed which the union "recognised" these "important" strikes did not spring from a change in political attitudes but on the contrary from a need, each time more evident, of the unions' role in society to, each time, control rank 'n' file actions with ever greater urgency. This situation entailed a double dialectic: the power of the rank 'n' file (formally trade unionist because of the existence of the closed shop) was questioning the notion of legality but legal re-inforcements finally gave ample scope to rank 'n' file autonomy which was able to even more affirm itself. The strikes of the Winter of '78/'79 demonstrated how "union power" can do nothing other than attempt to closely follow the rank 'n' file movement in order to control it. According to circumstance, the frontier between the unions' repressive action and rank 'n' file autonomy shifted. In the Ford strike, the negotiating power the union threw out when it recognised the strike (in order to prevent the setting up of autonomous "shop stewards" committees), did not amount to the power to negotiate. No matter what, trade union control is only an appearance because it ceases to be once it attempts to defend "its" political viewpoint. They were unable to propose calling off the strike, other than by putting forward demands that corresponded more or less to rank 'n' file demands and this only after each factory took a vote on it.

In the truck drivers' strike the battle lines were drawn up between the rank 'n' file which under the cover of the trade union did what it wanted and where it wanted, and the union bureaucracy which tried to "recuperate local strike committees" and impose a "picketing

code of conduct." In the ambulance drivers' strike this dividing line lay in the flouting of what constituted an "emergency" and the utilization by the Labour Government - with trade union support - of the police and army.

In the postal workers' strike, which is still continuing, this line lay in the impossible task the union had in preventing camouflaged strikes in which no one could say where they began or ended. Similarly it was unable to impose productivity clauses which would without a doubt break the permanent self defence against a modernization whose raison d'être is to break before all else, the informal autonomous organization of the rank 'n' file. The dialectic: union power/rank 'n' file power is finally nothing other than the expression of the labour/capital dialectic in two antagonistic elements which nevertheless are entirely interdependent.

It is interesting to point out, that the battle lines, shifting each time towards rank 'n' file action, implies that rulings on an apparently insignificant matter like that referring to picketing action results in being a political question of the greatest importance. Hence the myriad details comprising the "picketing code of conduct" elaborated by the Trades Unions and the Labour Government. The Tory Party which is at present in power is also concerned to translate this political question of the greatest importance into law (at present the question being debated is whether it should be done in terms of civil or criminal law). One can at the same time gauge the fragility of the system created because short of stationing a trade union cop or bobby behind each worker, the system lacks efficacy. PM Callaghan in a statement to Parliament on the 19th of Jan '79 was quite conscious of the problem: "unofficial actions are the main problem. Do the Tories want the Government to imprison several 1,000 people in order to stop them". In fact even the trade union reform promised by the Tories - "reestablishing law 'n' order" - would have the support of all State apparatuses - provided they are effective and don't unleash even worse troubles than those they are seeking to prevent. After a meeting with Mrs Thatcher where this subject was raised, Len Murray, Gen Sec of the TUC declared the Tories had no intention of being radical in their reform of industrial relations. On the matter of pickets, he even emphasized that he had told the Minister of Employment, James Prior to "think very carefully before advancing on this particularly sensitive area of labour relations".

This political solution to labour/capital relations has nevertheless a disproportionate importance as regards other diffuse phenomena in English capitalist society.

Political phenomena - the indirect consequence of the determination shown in the Ford strike or, in the truck drivers' strike - cannot however, be detached from social and economic phenomena affecting this transformation in the way workers view things. These are the direct confrontations which in the course of the last decades has contributed to the transformation of consciousness, teaching each person only to count on oneself - like the perspective of turning the labour time dilemma against capital. It is this ideological change which renders pointless the traps set against direct action and which makes proletarian solidarity such a fearful prospect. They cite with this purpose in mind, the "English tradition" which the French trade unionist, mentioned at the beginning, found anachronistic in a modern capitalism. This tradition exists but it doesn't explain a thing. There exists many trade union traditions which have fallen into disuse, whilst other forms take on an unexpected lease of life containing completely new characteristics. We stress this to explain how it is that autonomous action takes place within trade union structures. It is not by chance that working class action gave new life to an old tradition - pickets - equipped with an unformulated "workers code of conduct" which is violently opposed to a "trade union code of conduct". It is not by chance either if union traditions have fallen into disuse through conservative traditionalism. This does not mean that other arms of struggle couldn't reappear, rescued from oblivion. But it will have nothing to do with trade unionism and its pretended power. On the contrary it will have everything to do with rank 'n' file action and to the ideological transformation. Striking the water on the sea shore is rapidly shown to be totally useless. This recapitulates what we have said earlier relative to "politics". These phenomena cannot be defined in terms of confrontation although they encapsulate the daily confrontation of each and everyone with capital. This is not what Pannekoek wrote exactly but it amounts to the same thing. The central element in all these phenomena is what we underlined apropos of the transformation of the workers' way of seeing things as far as concerns the dominant ideology. It is not only the leaders who want to avoid a direct confrontation (as the statements we have quoted point out) but the workers want to avoid as well "a serious and decisive class war" in the 19th century sense. However, the domination of capital over production has been achieved in part

because of the impossibility of adapting to the necessities of competition and profit through insurmountable resistances encountered up to now. An article in the "Financial Times" (2/2/'79) on Merseyside, specifies the "number of firms suffering from a low level of productivity and a rate of absenteeism above the average". This is considered as potentially more damaging to firms than strikes.

THE FORD STRIKE (AUTUMN 1978)

The high point of confrontation between capital and labour at the end of 1978, the strike at Ford's, cannot hide the fact that it was an end and a transition. It was the end result of a whole series of direct confrontations carried on for a number of years around the ratio of wages to productivity - a transition between the constant attrition of individual acts and a more all embracing form of confrontation. This process must be situated within the perspective of the ideological collapse which we will mention further on.

This last point, seems particularly important in the Ford strike and we shall return to it because such solidarity and cohesion demonstrates that these things can only flow from a broad based ignorance of "capitalist values". That is, from a deliberate quest for one's own interests and from a diffuse but clear feeling that everybody could do what they thought valid because they knew at the same time, others had the same purpose in mind. When strikes break out, this fact has often been observed but never underlined in everyday attitudes vis-a-vis work. However, it boils down to the same thing in different circumstances and has a scope and profundity which can in themselves explain the most salient characteristics of the Ford strike. On the one hand, there was the sudden unleashing of the wildcat struggle synchronised in all the Ford factories throughout England. On the other hand, there was the active solidarity which made the strike particularly effective, obviating the need to deploy pickets or, use persuasive force.

This situation is by no means peculiar to the United Kingdom but it is in the UK where one can best observe the differing manifestations of this phenomenon and its developing dialectic over the past years.

It is possible this situation is the expression of the particular historical situation to which we have referred. The UK was from very early on a proletarianized and urbanized society in its totality.

For a lengthy period of time one could say that workers' attitudes reinforced the dominant ideology, especially where English imperialism guaranteed to "its" workers, a standard of liberties and political liberties that an extensive and intensive colonial exploitation allowed it to support. The situation gives then an idea, on a relative scale, of what could be the decomposition of an industrial capitalist society. The question can be posed: would not a renewal of English capitalism or, its integration into the EEC, introduce another dialectical term because nothing is ever finally played out while capitalism maintains its world domination. On the other hand, the world capitalist crises makes all speculation a hazardous business as regards the possible restructuring of a sick capitalism - and not only in one country.

The most recent aspects which some are calling the recovery of England (above all with North Sea Oil), does no more explain the most profound realities of the capitalist situation on the national and international level.

On the national level, capital is characterized by a relative weakness because of the impossibility of re-establishing a relation of forces which will allow it to return to a more "healthy" situation from the viewpoint of production of profits. National capitals' are looking elsewhere for higher rates of productivity. This permits "in part" national survival but it also impedes any national renewal and assures the perennial nature of the situation which class struggle on the other hand, prevents any exit from. The weakness of political power in the UK, is demonstrated by its inability to impose itself as representative of the interests of national capitalism - by, on the one hand, the rank 'n' file movement of the class struggle and on the other, the power of the multinational, particularly American multinationals.

The supersession of this contradiction constitutes the rupture with capital on the national level. In fact English capital invests everywhere where it can be assured of a rate of exploitation superior to what the weight of the structure and the class struggle could assure to them in the UK. But the profits that they obtain are repatriated because of the necessity of maintaining a State which will assure in terms of power, the

representation of national interests of origin - though in fact, international. and this State supposes the maintenance of an internal equilibrium which guarantees the external power. To the difficulties of resolving this double contradiction on the European plane, one can add those that are present on the world scale. These difficulties are increased by the class struggle which the industrial growth of the under developed countries bring - a consequence of capital in search of greater profits.

The Ford strike shows how class struggle echoes the contradiction between the imperatives of international capital (in competitive terms, the second biggest car company in the USA) and national politics with its rigid structures and its particular relationship of force. Ford which had played a role in England since the end of the second world war, had for some time tried to disengage itself from the rigidities of national structures. The wage freezes carried out by the Labour Government and the Trade Unions sought to guarantee the profits of a fraction of English capital. This however only interested Ford's so long as it guaranteed social peace. At the European level, as part of a pragmatic strategy of profit and loss, Ford compensate each other - the continuity of production and productivity are more important than a percentage increase in wages limited to a single State. When the Trade Unions are incapable of controlling demands and the Government incapable of imposing its political will, Ford has one single idea: paying attention to its world political strategy. At this time, it gave in quickly at the least cost to itself.

When the strike broke out, the impotency of the Trades Unions had been shown up by the continuation of the strike of 32 toolmakers at British Leyland. The union leadership had been unable to expel from the union because of the threat of a general wildcat strike by all Leyland toolmakers. Because of rank 'n' file pressure, the unions in order to save face distanced themselves from the wages freeze and rejected the renewal of the social contract of the preceding years. Even as regards the bosses, the Government could only keep up a facade of economic sanctions against companies which gave pay rises above the norm which the strikes of the preceding years had seriously drained of all force and which the Ford strike wrecked completely.

The Ford strike has hardly any history to it that one couldn't encapsulate in a classic scheme. The unions make their demands, the workers go out on strike, the unions discuss with the bosses and decided to take a vote on a return to work. It is difficult to say what part demagogy played in the claims lodged by the unions: a 25% increase in pay and a 35 hour week, while the Government in July 1978 had fixed the increase at 5%. What matters is that the rank 'n' file, partly stimulated by the shop stewards, partly spontaneously, began to actively back up their demands in Halewood, near Liverpool and in Southampton on 21st Sept '78. By Monday the 26th, assemblies called by the shop stewards voted to go out on strike. All 23 factories stopped work. 57,000 Ford workers were on strike. It was really a matter of a wildcat movement whose speed was surprising: the Dagenham plant was emptied in one quarter of an hour. However, frightened at seeing the movement in the hands of shop stewards more closely linked to the base, the union (AEUW and TGWU) ended by recognizing the strike a week later, (this implied strike payments and above all their intervention as negotiators) On two occasions they then had to confront the workforce with proposals worked out in the negotiations. On the second occasion, having got a 17% increase, they recommended calling off the strike. Here we have a classic example about which a unionist could say, that the union was supported by the mass of "its" workers, enabling it to impose on the bosses certain demands, (one may note however that the demand for a 35 hour week had been wholly dropped in the same way as the strike in the German Iron and Steel industry). Those who don't hold to this view, scarcely understand how it is, that the unions whom had no interest at this time in toppling the Government - "its" Government - and still less of provoking a strike wave, had opened at this crucial moment such a breach in the social dam. They were after all one of the bulwarks.

The truth of the matter lies elsewhere in the brief indications we have provided of class confrontation in the UK. The Ford strike has no history because setting aside the classical schema, nothing happened. There was no one in the factories, not one single "coward", practically no pickets because they weren't necessary and no "flying pickets" because the active solidarity of all the English workers blocked all movement of components either on the motorways or, in the docks. This degree of efficacy couldn't be created by any leader, union big wig or, shop steward. It did not provoke any polemical comment unlike the "flying pickets" or "secondary pickets" which appeared on the scene some months later. Apparently more combative they were in fact less advanced. The formidable success of the Ford strike can be measured by the social and political consequences it was going to have.

(1.) It was this strike that caused the Labour Government to fall. Its formal defeat immediately followed on from the ending of the strike at Ford's. Work was resumed at the beginning of December when a 17% wage hike was granted. There was also a penalty clause designed to suppress wildcat striking (a 5% wage reduction during the week the strike took place). The Callaghan Government preferred to ignore its framework of economic sanctions rather than risk finding itself in a minority. Capital allowed the Government a temporary respite rather than risk a political crises during the wave of strikes that followed the Ford's dispute. It was preferable that the Labour Government should lose its prestige rather than, risk a head on confrontation which the Heath Government had, to its cost, attempted to do four years earlier. It was only a respite because capital had to find another way to keep wages down and try to cure the English disease. For the moment the Conservatives are trying it because the Labour Party's way of doing it has been a complete failure.

(2.) However, this political failure masks a social failure - namely managements' attempts to closely link wage increases to productivity. The first proposals put forward by Ford's management were rejected by the unions. They contained penalty clauses against absenteeism and wildcat strikes. In the final agreement accepted by the Ford workers, only the penalty clause against wildcat strikes was retained marking a retreat from Ford's original conditions.

(3.) Another consequence was apparent on the international level: Ford's European operation was wrapped up. Henry Ford said himself: "It was the worst strike I have ever seen". The success of the strike made all attempts to break and isolate the strike impossible. The active solidarity of other English workers prevented other workers in Ford's European factories from being strike breakers against their will. More, the division of labour between European States turned against Ford: the majority of European factories were prevented from functioning because of the lack of components or, because components destined for English factories were held up. Thus workers in Ford's European factories have been able to gauge for themselves what a consequence a resolute struggle has and are drawing lessons from that.

THE TRUCK DRIVERS' STRIKE AND SECONDARY PICKETS

The Ford strike ended at the beginning of December '78. For two weeks the political battle we mentioned seemingly occupied the limelight. But it could not hide the escalating social struggles. Tanker drivers came out on strike over the matter of overtime. They demanded their basic wage go up from £75 to £90 a week. The year's end appeared to bring with it a respite but petrol pumps and garages were closing because they had run out of petrol. In the event of a total shut down, the Labour Government threatened to bring the army in. In spite of an apparent confusion it was clear the rank 'n' file had transformed union instruction. Even before a strike had been declared, the strikes' effects, without being able to attribute them to a definite movement, were visible. This was one of the characteristics of the conflicts which were to be in evidence over the coming months. On Jan the 4th, tanker drivers belonging to Texaco and British Petroleum came out on strike completely, particularly in the Midlands, the North West (Manchester), Ulster and North London. On the 8th of Jan, the workers accepted a 13%/15% increase in pay. However, the Texaco drivers continued with their wildcat strike, organizing flying pickets to picket firms where work had already been resumed. The movement began to have serious consequences. On Jan the 14th, work was resumed as per normal.

Meanwhile it was the truck drivers who were now being highlighted. Their wages were relatively low but thanks to overtime they could earn upto £100 per week but that could mean working up to 57 hours a week. But under Common Market rules they were not allowed to work longer than 54 hours and by 1981, 48 hours. Moreover the introduction of the tacograph, in use in Europe, strengthened the control of the bosses. The truck drivers demanded a further wage increase from £43 to £65 a week, a reduction in the working week from 40 hours to 35 hours guaranteeing to them the same amount of overtime.

Transport firms employing these truck drivers play a big role in food, the chemical and automobile industries. Some firms possessing their own fleet of trucks frequently have recourse to them. All in all, there are around 170,000 truck drivers (only a few are owned by their drivers like they are in France). Negotiations don't take place at a national level but are split up into 18 different regions. On Jan the 2nd, several thousand truck drivers came out on strike in Scotland without any instructions from their union. By the 4th of Jan, 25,000 are on strike in Scotland and the north of England. They picketed ports

and warehouses preventing fleets of trucks belonging to industry from moving goods. By the 8th of Jan, factories short of materials had started to close. Practically all the ports were blockaded. By the 10th, the number of strikers had risen to 50,000 and on the 11th, the strike was finally made official by the union. Then in turn the truck drivers in the South of England came out. Obviously the union only made the strike official in order to control it and in order, especially, to curtail the picketing. Around the 13th of Jan, shops began to empty and some queues had appeared. The Government, management and the unions did everything they could to break the strike but without success. The number of strikers fluctuated between 70 and 100,000. Some firms ceded to their demand for a 22% pay increase. Some 100,000 workers found themselves laid off.

Not only was the secondary picketing kept up but the practise of flying pickets spread. Travelling in cars, strikers either through force or persuasion stopped trucks they came across on motorways. But it was not through the effort of union leaders or because of the threatened State of Emergency that the pickets around Jan the 25th began to ease up. Rather managements' resolution to make common cause together had been broken and individual firms began to sign accords agreeing to a 25% increase in wages. By the 2nd of Feb nearly all the truck drivers had resumed work and once more the Government's wages policy had been smashed to bits.

But it is not on this terrain already occupied by the Ford strikers that this central conflict is to be situated. Rather it is on the terrain of direct confrontation with power. It is the reason why the question of pickets became a political problem: how to maintain "public order". For close on a month it was obvious that on the motorways, in the ports and in the factories, it was the truck drivers who were the law and not the unions or the police. It is undoubtedly true that the success of the picketing was due to energetic activity of the truck drivers and also to the truck drivers belonging to firms who weren't on strike - and of course, dockers. (A few truck drivers attempted to cross picket lines and apart from some smashed windscreens, there were few incidents excepting, the death of a picket in Scotland knocked down by a truck.)

It was the same tactics which had inspired the pickets during the miners' strike in 1972 and the dockers in July '72. Where they failed because of the limitations of the struggle, or through political manipulation, the pickets met with repression and failure. Using as an excuse a strike in the building industry, the practise of flying pickets was harshly repressed in Shropshire in 1973 (3 building workers were condemned to 3 years, 2 years and 9 months respectively in Jail, for "conspiracy, intimidation, illegal assembly, threats" etc. In 1977/'78 the Grunwick's strike demonstrated the limits of picketing when an attempt was made to convert it into an arm of politics. In '79, some firms paralysed by the picketing tried to get the "disruptors of public order" convicted and arrested. A businessman in York brought 9 workers before the courts. Safeways, a supermarket chain accused a shop steward of having organized a blockade of one of their warehouses in Warrington. This was followed on the 2nd of May with the jailing of a journalist for 3 months after an altercation with police on the picket line. The difference between these situations lies evidently and obviously in the relationship of forces which means that in certain cases power dominates through repressive organizations and other cases isn't able to use them. This happened in the truck drivers' strike which, as we have said, was directly posed in terms of a confrontation with the forces of law 'n' order. Advice however was far from lacking. The "Daily Mirror" was able to write on the 24th of Jan: "It is up to the police to follow up complaints regarding intimidation, threats and violence. I hope the police will not shrink from its responsibilities". To which a Police Chief replied, "existing laws give the police sufficient power to deal with the crimes committed during the strikes". But it is not just arrests but getting convictions (as we have seen, some employers used the law but equally it is necessary to get convictions). The weakness of power faced with this new assault on the State's authority was brought out by an exchange between M Thatcher and Callaghan, PM of the Labour Party. Callaghan replying to Thatcher who had urged him to use the law against picket line "violence" said: "I don't want to see the country repeat the fatal errors of 1971/'73". As an American journalist wrote in "The Washington Post" on Feb 18th '79: "The most significant change is that the leaders of the union movement have lost control over their rank 'n' file. The workers have taken things into their own hands."

Unable to use force, the Labour Government tried without much convictions to use the trade union apparatus whose one and only wish was to continue to function in this way. Callaghan who did not dare allow the police and army to intervene for fear of even worse consequences did not hesitate in declaring bravely on TV: "I would not hesitate to cross a picket line if I thought it was right to do so". In a country where a worker never crosses

a picket line, he clearly showed that his 'moral duty' had nothing whatsoever to do with the workers' moral duty. Union leaders tried to translate their moral duty into a "trade union code of conduct" which was put together by the TUC leaders and the Government and ratified by the TUC Congress in February 1979. In this document, there is a long and detailed description of the functions of trade unions. It was precisely at this point in time when "secondary pickets" appeared, made up of workers who worked, in the majority elsewhere, than in the firm on strike. This Trade Union code of conduct was nothing more on the other hand than a diversion for trade union bureaucrats at the moment of the truck drivers' strike. An article in the "Financial Times" described the activity of one of the high ranking bureaucrats - Alex Kitson - esconsed in the powerful TGWU whom, "had attempted to and in many places had succeeded in dismantling local wildcat strike committees." The general intention was to bring the strikes under the control of the regional trade union apparatus and to limit their activities to factories, docks and warehouses and to single vehicles belonging to transport firms. The trade union code of conduct contained other elements concerning the intervention of Trades Unions' in the economy - mainly fixing the price of labour power. But it was on the question of pickets that the polemic developed into becoming a central political question at the time of the general elections in the late spring of '79. The Labour Party and the Conservatives agreed on the need to put an end to the autonomous activities of the workers disagreeing only on the ways and means. The energetic political measures promised by the Conservatives in this sphere have still to see the light of day. Even if they do in the form of new laws, they will have to be put to the test and their moment of truth will come when new struggles appearing in perhaps unpredictable forms, arise.

If the merit of the truck drivers' strike was to pose the question of power in terms of open struggle, one can legitimately ask whether the Ford strike rendered useless all attempts to repress it and its political consequences were immediately evident at Government level. In order to succeed, the truck drivers' strike had to be very combative in terms of a direct confrontation with the forces of law 'n' order, (whilst the Ford strike ignored them.) The problem raised in the political debates as regards pickets became thus a false problem. If pickets are no longer necessary because each worker knows just what to do to make the strike effective, then any question of trade union or legal control becomes pointless. Maybe it is possible to view the next conflict in these terms thus eluding repression.

THE CREEPING STRIKES OF SPRING AND SUMMER 1979

Even before the truck drivers' strike had been settled others were breaking out. It is impossible to mention them in any detail - they affected in particular the lowest-paid workers: water workers, hospital workers, municipal employers, grave diggers, ambulance drivers. Then in their turn, all manner of civil servants, different kinds of employees, post office workers, railway workers, teachers etc. Where conflict did not break out, it was because substantial pay increases were granted. These strikes were to extend from January to July and some are still going on with sporadic outbreaks. In some sectors like in the post office, it is even difficult to say when there was a strike and when there wasn't. Millions of workers at one time or another, found themselves involved in strike action or threatening strike action. It is possible to delineate a number of common characteristics.

As in Ford's, wage increases were between 14 to 20%, a long way from the 5% ceiling fixed by Callaghan.

The majority of conflicts lasted a long time - from several weeks to several months.

Whether they were recognised by the union or not, they successfully evaded their control in the same way as the truck drivers' strike (the refusal of union rules, the effectiveness of the picketing) or, in other less direct ways requiring a very coherent degree of self-coordination) by the rank 'n' file as expressed in selective strikes lasting a long time or, through intermittent work stoppages. It was impossible concerning the latter to say where they started and stopped. Often it was only possible to note their effects.

Whilst the effectiveness of the Ford strike sprang from its cohesion and total solidarity expressed in a nearly classical form and whilst the effectiveness of the truck drivers sprang from the combativity of the pickets confronting the forces of law 'n' order, the creeping strikes are much more in tune with the actual rank 'n' file movement in

Britain. Three different facets are discernable in these strikes, though in reality they are inseparable - acting for oneself, the refusal of work, the refusal of capitalist ideology.

What we call acting for oneself means that strike actions - even considered as a means - is at the same time before all else, a way of gaining free time in order to do one's own thing. The effectiveness of the strikes were linked to a near total disappearance of "militantism". The methods of struggle were to take on partial forms - at times selective. Without being able to speak of a strategy they were effective. On the contrary they appeared to be very dispersed. Their effectiveness sprang from the fact that some possessing the same work conditions were aware, that given the structure of modern capitalism production, they could paralyse after a while the productive apparatus. Some saw in this type of action the survival of trade union structures they regard as anachronistic in the modern world. It is possible to discuss the adaptation of these structures leading to an improved functioning of capitalism but it doesn't explain why these so-called obsolete structures are so effective. Precisely because the rank 'n' file workers play off these structures against the apparatus itself, they are able to give them an entirely different significance and content. This acting for oneself was relayed through individual attitudes or by the way of small groups of workers possessing the same function in production. For example 5 women in charge of postal orders were able to hold-up the distribution of stamps throughout the all Britain. Similarly, 100 telephone computer operators were able to hold up for 6 months the sending out of receipts, making any restocking impossible. Exceedingly corporative movements like the strike of 32 toolmakers in B.L. which we have already mentioned could cause havoc. But their strike was only effective because other workers refused to do work belonging to the strikers, not perhaps out of "solidarity" but understood as acting for one's self, (don't do unto others what you don't want them to do unto you) furthering in this way, other trade union structures regarded as obsolete. The survival of these craft unions meant no one was prepared to do work which did not belong to their particular category.

The exceptional length of the strikes in the UK (it frequently turns out that strikes involving tens of thousands of workers last for several weeks even several months) can be linked to "acting for one's self". In addition there exists in the social security system, the chance of obtaining money for one's wife and children in the advent of a strike (this forms one of the 'small concessions' which the system cannot do away with). But what's important is that during the strike the workers' interests lie outside the workplace, devoting themselves to reorganizing their lives beyond temporarily the bosses' reach. There are holidays to be had, work around the house to be done or, work in the black economy to be had. It is possible to cite two extreme examples. There was for instance the strike at "The Times" against the introduction of new technology which lasted 11 months. Then there is the strike in the steel industry where workers took two days off work every week for 11 weeks. Under union protection, they were perfectly well aware of the insignificance of what was at stake (we will return to the significance of the struggle later). At the furthest, it is even difficult to distinguish between striking and absenteeism. It is particularly true of the Christmas/New Year break when for several years now, the bosses have preferred to shut down rather than risk an uncertain situation very costly to themselves.

It seems clear that this notion of acting for oneself is closely linked to the refusal of work or more exactly, to the form of work which capital wants to see functioning efficiently at this point in time. Under this heading one can classify very different phenomena we are going to enumerate. Some appear to have nothing to do with the strikes this year but if in reality they do, it is because they objected to speed ups. - Arriving late and leaving early; leaving enough time to take tea together (which played a major role in the elaboration of rank 'n' file resistance). Practises like these are so widespread that to all intents no one bothers mentioning them any longer. Capital doesn't even try to struggle openly against these practises. Rather it tries often with little success to control them in order to allay the damage. (For example, big stores open on a Monday morning between 10 and 11 a.m. often with all the counters nearly empty.)

--- Absenteeism at the beginning and the end of the working week (building sites and road works are generally nearly devoid of workers come 3 o'clock on a Friday afternoon or on a Monday morning). We have noted how this absenteeism increases around Xmas time and New Year. One could say the same thing in a completely unpredictable manner about fine days in Spring and Summer. We shall now show how they make their appearance in particular struggles.

--- The refusal to do others jobs other than what one is employed to do even if technically one could do it. It is possible to say that "acting for one's self" has been natural in the

structure of the old craft unions which have been given a different meaning. Made use of by individuals or groups of workers having the same individual interest, they have become major bulwarks in the struggle against managerial "reforms" to increase the intensity and productivity of labour. They are also a bastion against the introduction of new techniques against any attempted reorganization or restructuring of capital. Examples abound. Some 10 workers in the Linwood (Chrysler) plant in Scotland brought the entire factory to a halt when they refused to be moved some few yards down the production line. In Paddington railway station in London, a total strike lasting one day and repeated every subsequent week broke out because 50 baggage handlers refused to be temporarily moved to a new job because there wasn't much for them to do in their usual jobs. The Post Office in Britain is plagued by strikes of this sort because workers refuse to be moved to other jobs at the behest of management in cases of overmanning or, the employment of Post Office temporaries. The London underground still employ a driver and a guard per train inspite of efforts to introduce automated transport. An iron ore terminal in Scotland hasn't started working yet because of inter-union rivalries - in reality because the matter of who does what has not been sorted out. One could fill page after page. Just one example - which has a bearing on the problems of productivity - was provided by the British Leyland factory in Park Royal in London. This factory makes double decker buses and a new model had been commissioned requiring a good number of workers. It was estimated 630 workers would be needed to make in the long term, 14 buses a week. In the short term, 7 buses a week were envisaged while the factory got into its stride. At the end of years of strife so different as to be seemingly anachronistic, surprize surprize, the factory had turned out 2 buses a week. This led the "manager" of British Leyland, M. Edwards to decide to close the factory down which didn't seem to worry the workers especially. We shall return again to the threat of closures in factories where workers refuse to "work normally" and which is at present capital's response to this practise of rank 'n' file struggle.

--- The response of workers faced with factory closures because of the crises or restructuring of capital appearing as a weapon to break any resistance to increasing productivity.

Upto now, it has not being possible to use unemployment - or the threat of being laid off - as a weapon. Unemployment has existed for such a long time in Britain and at such a high level that the threat of making do with very little is no cause for alarm, still less something to be ashamed about. On the contrary for a lot of people it provides an opportunity to "live in another way". On the one hand, it is a response by capital to its present day problems but on the other hand, it forms part of the "small concessions" whose consequences could be very important for the system in its entirety. Every time a firm lays off workers, the struggles that break out are over the levels of redundancy pay. When voluntary lay offs are asked for the number applying for them easily surpasses the number fixed by the firm. When the choice is posed: either be dismissed or call off any struggle, the response is always clear, preferring unemployment rather than accept an increased level of exploitation. Clearly the workers opt "for themselves" rather than the firm and work at any price.

In this practise of refusing work, it is possible to situate the solidarity manifested during the course of the struggles -. The refusal to do another persons job, if they happen to be on strike is, a solidaristic action in refusing to do any more work other than what one has decided to carry out. (It is also an individualist vision of work which we will return to later regarding the refusal of capitalist ideology). The refusal to cross a picket line even just occasionally reveals this duality. The obligation to act in a solidaristic manner (the "reason" why are never raised - from the moment a picket is mounted, it is obvious the workers have good reason for mounting one) provides an opportunity to lighten the burden of work. This is the key to the formidable success of the strikes like the truck drivers' strike we mentioned earlier.

The forms taken by the struggle can be characterized by other sorts of action, like the extension of absenteeism or the selective auto-reduction of work. The refusal to do overtime carried out at present in a highly effective manner, epitomizes these two aspects of the refusal of work. The refusal to do extra duties if kept up long enough and others refuse to do them in the name of solidarity, can have a catastrophic effect. Thus the successful school teachers' strike did not come about as a result of a classical strike but because they refused to take charge of kids at mealtimes. All the apparently different factions but which direct the angle under which we are considering them leads to a synthetic and critical examination of capital and its global function. On the one hand, in so far as the productive apparatus is concerned, one could say that in a negative form, the workers control it them-

selves. Negatively, because this control, contrary to all those who talk about the conscious self-management of the capitalist firm implies a rejection in one form or another, of all ties with the capitalist firm. This is what drives union leaders mad in England when faced with the attitude of workers because they collide head on with a systematic refusal. Having nothing whatsoever to do with a 'program' in the traditional sense of the term, it is only explicable in terms of immediate personal interest. The result is that the productive average of English workers using similiar equipment is one third down on other industrialized countries. Meanwhile the UK in comparison with other West European countries has a less developed system of co-management or factory committees inspite of attempts to introduce them. On the other hand, there is is a sort of recomposition of individual activities exterior to the firm. An article as long as this one would be necessary to explain all the manifestations of social life which contributes at the same time to Capital functioning in the UK (including that is the crises and the resistance we have just mentioned) but which essentially are facilitated by an entire series of "small measures" of recuperation - providing also an opening - creating mobile and often temporary structures which do not belong to this exploitative society anymore.

Finally the refusal of work is no more than a particular aspect of the refusal of capitalist ideology. But it must be understood this "refusal" has nothing to do with ethical responses rather, it has to do with individual behaviour which could be summed up as follows: "I don't want to do this because I want to do something else" or, as the miners said in the 1974 strike when they refused to carry out maintenance work: "Fuck the Pits". In a way acting for one's self is the rejection of the "voluntary cooperation of wage earners" because one has no interest in it (and not because of particular political insights) and which previously was the norm in the labour/capital relationship. Then it went without saying that "the interest properly understood of the firms" implied, "the interest properly understood of the worker." In the situation in England today the workers' particular interest (which can be very different, expressing itself in individual ways even if it manifests itself as a collective phenomena) comes before any other consideration. Referring to recent conflicts one can cite the rejection of the national interest by the miners or the truck drivers, the rejection of "public service" by the civil servants, the municipal employees etc, the refusal of the notion of an "emergency" by the ambulance people and hospital employees. Grave diggers refused to bury people inspite of the recrimination of right thinking people. Water came out of the taps dirty, carelessly treated, without any regard for "public health". One snowstorm was enough to unleash a strike of workers employed to clear the roads. Relief trucks sent into to distribute food to the old were attacked and emptied of their contents. Westminster street cleaners once their demands had been granted after a strike lasting four weeks refused to return to work unless they were paid £200 extra to clear the piles of rubbish that had mounted up during the strike. They were followed, once the extra payment had been granted, by incinerator workers.

Another aspect of the transformation in outlook is the new way of tackling the destruction of purchasing power through price increases or dealing the trick of increasing wages as a channel for productivity deals. Doubtless many conflicts spring from classic objectives: wage increases linked more and more to increases in productivity. But in between periods of open struggle when price increases draw wage increases along in their wake and where part of the increase in the rate of exploitation - there appears a cunning form of individual/generalized struggle which could be summed up as "neither money nor work". The most typical example of this attitude is provided by the miners and is summed up in the following diagram.

YEAR	75	76	77	78	79 (30 WEEKS)
Effective Average (1,000)	246	247	242	240,50	237,10
production per man/year. (in tons)	446	445	440	434	239

Production declines even when in 1978, productivity agreements were more or less imposed by union manoeuvring. The example we have cited of the Leyland factory in Park Royal is another example.

Related to this is the question of authority in the firm itself. Disrespect for rules and regulations which are an essential element in the smooth functioning of the factory in the interests of capital is a quite commonplace practise. Strikes break out whenever management attempts to impose their authority a liile. There were several in 1978; one in particular in the Ford factory at Dagenham was over a worker who had been sacked for striking a foreman. The Chrysler factory in Linwood stopped for several days until disciplinary measures against a worker caught smoking were dropped. What we said about leaving early and arriving late proceeds equally from the self same problem of authority. Attempts to discipline workers over these habitual practises or because of absenteeism often entails conflict. It is this constant struggle which determines the shifting frontier of what we have called negative control (gestion). Very often conflicts erupt because management in this incessant guerrilla activity, comprising the day to day basis of class struggle, adopt their responses according to the relationship of forces which exist.

The particular features of the struggle are not new. They form part of the everyday struggles in England over the past 20 years. If we have dealt with them under the heading of the 1979 struggles, it is because these features have taken on a dimension and given a new character and efficacy to the struggles, not seen before. One can guage it according to the numbers of days lost in the first 8 months of 1979. Although the strikes did not effect major sectors of the economy, the numbers of days lost reached the 1972 total (the year of the great miners' strike). according to last August's ('79) figures, the number of days lost through strikes were the highest since 1972.

It is necessary to point out these figures give an imperfect picture of reality because they cannot be compared with the big strikes. The importance of selective strikes of groups of workers paralysing entire sectors (90 workers stopped the sending out of phone bills, 5 women the distribution of stamps etc) is not to be had from the statistics setting out the numbers of days lost.

THE LABOUR/CAPITAL RELATIONSHIP OF FORCE

Expressing the situation in the UK in traditional terms as a "capitalist crises" and "revolution" linked to which it is viewed in terms of collapse of system on the one hand and on the other, -the workers becoming conscious of the need to create a new world) two points are raised in the critiques:

1. Why does capitalism in England continue intact?
2. Where is this situation leading in which struggles have lasted close on 20 years although a definitive rupture with this exploitative system has never happened?

English capitalism remains intact because of its dominant position being, inspite of a decline lasting more than 50 years, the world's second financial power. From its former Empire, the UK still retains economic dominance in areas as unlike each other as they are profitable - like Hong Kong, Singapore, India, South Africa. This position of strength is guaranteed especially by the military might of the USA (which explains the special relationship between the USA and England at the heart of which, as the lied lies, is a ferocious competition) These shreds of power has allowed until now, to buy the acquience of the working class which for a long time acted as a support for the system able to offer it a situation of "privilege". It is possible now to say that a considerable part of the surplus value extracted by English capital in the past served to cover up the inadequate levels of productivity at this end. But such a situation cannot last forever: the world crises has accelerated the erosion of British capitalism elsewhere, making the internal position much more fragile. International competition is before anything else a question of productivity, that is of modernization and increasing the intensity of labour. Depending on the situation it could come from one, or be the condition of the other. It matters little whether one regards capital's present problem in England as overcoming the resistance to modernization or intensifying labour. English capitalism has the same hall-marks as capitalism everywhere else in the world as, "the Financial Times" noted during a conference of bankers in Belgrade. "The world is condemned to years of accelerating inflation, low levels of production and high levels of unemployment while Governments and politicians can scarcely do anything about it."

The only thing left to do is for capitalists and governments to make a choice and this choice however bad it is for capitalism because it implies always a constant direction must increase the rate of surplus value extraction - that is obtain more production for less money.

It is at this stage that the question posed by the two points arises. Where have the

struggles carried on in the UK over the last 20 years however exemplary they might be, ge us? One might answer it is exactly this sort of situation which has bound, a capitalism wi abundant resources to deal with its crises and the crises, hand and foot by 1,000 invisible threads (because it is not expressed in terms of permanent conflict taking on violent forms). The net result for English workers in everyday terms is that, for a standard of living comparable to other European countries they work about one third less.

It is also due to two basic points which while not being "revolutionary" are no less important marking the end of bourgeois democracy and the eruption of a social power into the political. It is the second time in 10 years that a wide ranging movement has caused Government to fall: the first a Conservative Government ,then this year, a Labour Govern- ment. The problem which goes from the boss via union leaders to that of State power become essentially under all its aspects, even the most minute, a political problem because it involves the entire apparatus of exploitation and domination. (One could draw a parrallel leaving out certain features with what happened in Poland in '70/'71 and in 1976.) "Politics" in the traditional sense of the term is no longer seen as a "solution" by the workers but as something one can impose on and influence, not by voting or through delegations, but through a relation of direct force. Added to which, the relationship of force is not seen in terms of open confrontation but in terms of interests and direct action to further these interests. This supplements what we wrote earlier on the "creeping strikes of 1979."

Peter Jenkins wrote in the "Guardian" (26.1.'79): "If the country risks becoming un- governable it is not because of the power of the unions, it is rather because they are powerless when it comes to controlling their members . The national leaders have lost all control. I have never seen them so unhappy as they are now." Echoing this statement Callaghan recently declared: "The Conservative Government has being elected through the ballot box and can only be defeated through the ballot box.-----The danger lies in a social anarchy developing before the unions have decided on new wage demands."

It is the same situation that a leading article in the "Financial Times" referred to as "stopping the rot".

Politics is something which asserts itself either through force or persuasion. The difference between the Tories and the Labour Party is that though they seek the same solutions (one could say that all the remedies have been indifferently applied by both during the course of the last 30 years in order to get out of the impasse), the Tories constantly talk of force without being able to utilize it, whilst the Labour Party talk constantly of persuasion with little success of resorting to force whenever they can. The problem for Governments is not so much passing laws (they have promised a lot especially in relation to pickets) as how to enforce them. The Heath Government fell after having made several U turns as regards the Industrial Relations Act which was got up to tackle exactly the same problem as Margaret Thatcher intends to tackle.

No one can forsee what direction the next struggles are going to take. What is certain is that capitalism is a dynamic system and faced with this situation, will constantly attempt to adopt measures according to the circumstances rather than to a long term political perspective (apart from the general perspective of defending capitalism's interests.) One can discern in the factory closures which aren't productive enough (and where workers resist modernization, speed ups or demand a corresponding wage increase , the outlines of a new politics). But this also happens in countries not affected by the English disease as a result of the world wide restructuring of capital accelerated by the crises. However it seems that it is only here where there is an attempt to accelerate the crises in order to break the reistance in the most combative factories. Leyland's seems set to serve as an example. But to this there also corresponds a fall in investment (not just on the national level) but also in traditional industrial sectors and an increase in sectors managed by English capital abroad. To be charged with the significance we have attempted to set forth, the situation in England could only be a specific and painful adaptation to a wide ranging restructuring escaping in part the capitalists themselves - restructuring corresponding to the incidence of English capital throughout the world. But such a situation carries with it two unknowns which renders all speculation hazardous. The world crises does not open up perspectives in any form of capitalist renewal encumbered as much by the problems we have described as, by a ferocious international competition. Capitalism's "weak links" are those which at a given moment allow possible perspectives leading to a new world and which break with perspectives in which it is impossible to say if they are developing, in the process of being born or, if they will be

destroyed by repression or, by other means appearing under different forms. What is actually happening in England today according to this perspective is that crucial struggles are in the wind but they have not yet appeared. The high level of struggle in 1979 is without a doubt only a prefiguring of other struggles against which the Government and the unions are sharpening their knives - against that is a proletariat continuing along the same course as in the preceding years.