

THE Week

A news analysis for socialists 9d.

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A NEWS ANALYSIS FOR SOCIALISTS

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AN APPEAL TO UNION LEADERS AND MEMBERS

The crucial test-case of *Rookes v. Barnard*, in which the House of Lords pronounced judgement on Tuesday, 21st, January, has at last been decided in the way that trade union activists feared it might be. The Lords have found for Rookes against the Draughtsmen's union and have ordered a retrial to assess the extent of Rookes' damages. This places the right to strike in greater jeopardy than it has ever been since the Taff Vale Judgement at the beginning of the century.

The case arose after Rookes left the AESD at the end of 1955. His colleagues put pressure on to rejoin in order to preserve the closed shop. When this failed they told the BOAC that they would strike if he were not dismissed. He was discharged in March of 1956, and he sued the Union's officials, Barnard and others, for damages, charging that they had intimidated the BOAC into dismissing him. Mr. Justice Sachs found for Rookes, and he was awarded £7,500. The Court of Appeal set this aside. But Rookes appealed against this decision and it is the verdict on this appeal which was given on Tuesday, last week.

The implication of this verdict is that strikes which are in breach of contract, and strikes which take place without "appropriate notice in accordance with....contracts of employment," together with strikes in pursuit of an illegal end, are all illegal.

Naturally the TUC will need to press for some amending legislation to patch this huge gap in the legal protection of trade unions. But this is not an easy matter, and any such pressure opens up large opportunities for Labour's enemies to attempt to drive home even more restrictive measures against TU freedom. The Times, in an editorial on this case, says:

"...The time is surely drawing near when some Government should attempt the revision of the existing law, in the interests of clarity as well as justice, if any can find the courage to grasp this most uncomfortable nettle...." (our emphasis)

We must see to it that it remains uncomfortable, even as we demand reforms to protect our membership.

But this matter cannot be left to legislators alone. A huge propaganda campaign of explanation of the issues must be initiated by the unions, and members must be advised how to protect themselves from this new threat. One device which would meet those cases where a strike needs 'appropriate notice' is that adopted by French workers, who were recently subjected to the obligation to submit long notice of any strike. They responded by submitting the notice every day, so that their strikes became legal whenever they were needed.

Now is the time for trade unionists to do their homework on such matters as this. Agreements must be carefully studied, and advance action to cover the backs of all the workers who are likely to be exposed. This is not a matter which can be simply left to legal department of the TUC. (Ed. note: see page four for Economist and Financial Times comment on the *Rookes v. Barnard* case)

Y.S. CHAIRMAN RECOMMENDED FOR EXPULSION?

According to the Sunday Telegraph of January 26; "The expulsion from the Labour Party of Mr. John Robertson, national chairman of the Young Socialists, has been recommended by the officials of the Party's Scottish regional headquarters because of his alleged association with the proscribed "Keep Left." The move comes only a fortnight or so before the mass lobby of Parliament on unemployment amongst youth which is being held on February the 11th. The Sunday Telegraph's Industrial Correspondent, who wrote the piece, had previously posed the possibility of the postponement of the lobby. However, there is no sign at present of this being done. Indeed, New Advance, the Transport House-run journal of the Young Socialists, has a call by the editor for maximum support for the rally in its latest issue.

EAST LONDON Y.S. FEDERATION SCHOOL

A London reader has drawn our attention to a day school and social which is to be held on Sunday, 9th February at the North Islington Labour Hall, Pemberton Gardens, Off Holloway Rd., London N19. The school commences at 2.30, and the speakers are Anthony Wedgewood Benn on: "Getting Labour to Power," and Michael Kidron on: "The next Labour Government."

GLOUCESTER YOUNG SOCIALIST CALLS FOR RIGHT OF RECALL OF M.P.s

In a letter in the January issue of New Advance, Mike Coggins, Gloucester Y.S., wrote: "John Diamond, the Labour Member of Parliament for Gloucester, recently told the Y.S. group in his constituency that he would under no circumstances consider that a C.L.P. had the right to recall its M.P. Nor does Comrade Diamond accept the doctrine that conference decisions should be binding upon the Parliamentary Labour Party. I consider these astonishing declarations for any socialist to make, although, unfortunately, Comrade Diamond does not stand alone in his attitude...."

ILKESTON Y.S. HOLDS "Y" VOTERS' DANCE

As part of its recruiting campaign the Ilkeston Young Socialists' group held a special dance for "Y" voters (those voters just under 21 when the register is drawn up). It sent free tickets to all those on the register. 30 attended the function which was held on January 21st. Nearly all are potential members and Ilkeston Y.S. is of the opinion that other Y.S. branches should consider following their example.

SOUTH NOTTS. FEDERATION Y.S. BOOK BUS FOR UNEMPLOYMENT RALLY

The South Notts. Y.S. have booked a 30-seater bus for the Feb. 11th Young Socialist lobby of Parliament (see elsewhere on this page). Among the organisations helping them are North Nottingham C.L.P., which is paying for 6 seats, branches of the N.U.P.E., E.T.U. and the A.E.U. The latter is sending a delegate as is the Junior Workers Committee. It is also reported that Wollaton ward Labour Party has collected money to help pay for seats.

TALLY CLERKS THREATEN TO BLACK SHEET STEEL IMPORTS

Tally clerks in London's West India and Millwall Docks have said they will black any unusually large shipments of sheet steel coming into the country. The warning took the effect of a resolution to the T. & G.W.U. headquarters, with a request that dockers all over the country should be asked to take similar action. A spokesman for the tally clerks said, according to the Financial Times, "We will accept the normal shipments which have always come through these docks, but if any attempt is made to bring in heavy consignments of strip or plate steel while the strike is on, we shall ban the cargoes."

APPRENTICES MAY BE CALLED OUT AT RALEIGH from a Nottingham engineer

The 2-week-old official strike of toolmakers and millwrights at the Raleigh (Nottingham) factory of Tube Investments Ltd. shows every sign of continuing for a considerable time. The strikers are demanding a reduction in working hours to avoid the dismissal of 25 toolmakers. The management refuse to implement this. At a mass meeting on Sunday, January 26th, about 300 strikers attended to hear a report from an A.E.U. Executive Councilman and other officials. It was stated that inquiries were being made into the legality of calling out about 60 apprentices, who the management are attempting to use as strike-breakers.

Cheering from strikers greeted the announcement that, due to the strike, representatives of the A.E.U. and other unions in the factory were to hold a joint meeting in the near future. The A.E.U. seceded from the Joint Factory Council 2 years ago and inter-union disputes have been frequent. The latest move towards unity must be welcomed by all. It is understood that support for the strike is 100% and no one envisages a return to work without claims being met in full.

Branches in the district are balloting on whether to organise a levy on the A.E.U.'s 10,000 members in the Nottingham area. Any donations to the strike fund should be sent to: Raleigh Strike Fund, Union Stewards Club, Gordon Rd., Nottingham.

B.M.C. INFORMER ACCUSED F FRAME UPfrom a Glasgow correspondent

A man described by a foreman as an informer was accused of "planting" equipment on two vehicles at B.M.C. Bathgate factory, with the intention of having others accused of stealing it. Henry Joseph Mulligan appeared at Linlithgow Sheriff Court on two charges of attempting to pervert the course of justice. One charge alleges that he concealed two fuel injector pumps on a vehicle owned by a contractor, Andrew Johnstone, who reported the matter to the police when he found them. Mulligan had reported that Johnstone had stolen the pumps to the factory security officers.

The second charge concerned three men working on a gulley-cutter vehicle, one of them, significantly enough, a Transport and General Workers Union shop steward. They had been stopped by security men when they left the factory and two pumps were found in a sack. A foreman giving evidence said that Mulligan was an informer to the security chief.

THE RIGHT TO STRIKE 'NO LONGER INVIOABLE' SAYS BIG BUSINESS PRESS

Two big business organs, the Economist and the Financial Times, were quick to comment on the implications of the Rookes v. Barnard settlement. Their conclusions gave striking confirmation to the warning given in our editorial. The Financial Times carried an item by Justinian, who writes on legal matters for that paper, and he had this to say:

".....This change in the 'rules of the game' of collective bargaining will subtly change the whole pattern of industrial relations. No more can the trade unionist confidently fall back on the workman's inviolable right to strike - this ultimate weapon in the trade unionist's art of forcing better pay and working conditions is no longer inviolable. In a variety of ways the trade union official will have to watch his step; in matters involving labour relations he has always been free to brandish the strike weapon in the face of employers so long as his threat carried no intimation of violent action.

"Now even the non-violent kind of threat - 'unless Bloggins is dismissed from your employment by Friday we shall call out our members on strike' - is fraught with dangers. One of the most serious consequences is that the public may witness the courts handing down a series of labour injunctions which would exacerbate the already fierce antagonism, so redolent of the 19th century scene, which has now been resuscitated by the law lords. Instead of a non-union employee threatened with dismissal because of union officials' threats to strike, seeking damages in the courts he may ask - and presumably get - injunctions from the courts stopping any intimidation by union officials of employers.

"Moreover, the employers and even their customers...could similarly haul trade unionists before the courts.....The unions, not without some justification, will see the Lords' decision in terms of the law throwing in its weight once again on the employers' side....a coach-and-four has been driven through the section of the Trade Disputes Act which for 60 years, it was thought, gave complete immunity to union officials who in pursuance of their members' cause deliberately interfered with an employer's business....

"The section in the 1906 Act has been rendered nugatory, simply because it now covers only lawful interferences, which probably did not need statutory protection in the first place; and moreover the demand will undoubtedly come for remedial Parliamentary action. Trade unionists see the case as an exact historical repetition of the Taff Vale case 60 years ago which held that a trade union could be sued as such for wrongful acts of its members and officials...."

The Economist, in its January issue, covered much of the same ground but in addition had this to say: "Under the Contracts of Employment Bill, all workers are to be offered contracts. Doubtless many of them will specify that employees cannot be sacked save for industrial misconduct or under specified rules for dealing with redundancy...the sacking of any worker...in a closed shop dispute, would presumably make the union officials who organised the closed shop dispute liable for damages..."

CALL FOR STRIKE FUND FOR POST OFFICE ENGINEERS

The January issue of the Journal, official organ of the Post Office Engineering Union, contained a discussion article by John Regan entitled: 'The Union and a Strike Policy'. He dealt with the limitations of present union procedures:

"If we fail to reach agreement the only way left is arbitration. Let us look at a number of issues. Quite recently we took 5 points to arbitration. (a) Double pay for Sundays. (b) Double valuation Bank Holidays. (c) Double pay Christmas and Good Friday. (d) Abolition overriding maxima for overtime. (e) Payment half rate extra for Saturday rota. This was completely rejected on all points....

"....Before the pay pause was introduced...we submitted a wage claim. It was rejected and an offer no doubt made, was rejected by the Executive of the Union. Due to the slowness of our procedure by the time our claim was heard by the Arbitration Court the Pay Pause had commenced. The result will be known to many members. The P.O. stated that they would only pay $5\frac{1}{2}\%$ irrespective of the award and when we had an award of $7\frac{1}{2}\%$, they carried out their policy and only paid 2% when the Pause was officially terminated..." The article ends with a call for serious consideration of the establishment of a strike fund commenting that "The calling of strikes in certain positions is the way to make our presences felt..."

FURTHER DEVELOPMENTS IN THE SPRAY & BURGASS STRIKE

On Sunday morning, January 26th, a march in support of the Spray & Burgass strikers was organised by their union, the Nottingham and District Hosiery Finishers' Association. The strikers and their supporters, headed by the Nottingham Trades Council Banner, marched into the city centre, where a short meeting was held. The speakers included Peter Price speaking as a teacher and a member of the Labour Party, ^{who} assured the meeting that the Labour Party members would protest to the chairman of the Watch Committee about the action of the Police in stopping the march from taking place on Saturday afternoon. After one of the pickets had drawn attention to the unfavourable publicity in the local press, the vice-chairman of the Trades Council, Lionel Jacobs, promised full support, in the form of publicity, organisational support, etc., from the Trades Council. The meeting was closed by Jack Charlesworth, secretary of the Hosiery Finishers' Association, who informed the meeting that the union was being charged £21 for the use of Sneinton Baths for one hour!!

By Monday nearly half of the strikers had reported back to work, but not all were allowed to resume. The men claim that the management have gone back on their offer to leave open the jobs of the workers until the end of the month, and it is said that the management, part of the Tillings Combine, have brought in labour from other factories. The new rates of pay are less than previously, and it is a condition of employment that the men join a different union.

The outcome of this strike is of particular importance to the union, which is a small one, and has not the resources to provide strike-pay for its members over a long period of time.

by a Nottm. Young Socialist.

UNEMPLOYMENT AND OVERTIME

The American Economic Report, January, 1964 issue, carries an item on "The Paradox of Overtime and Unemployment," which is at great pains to disprove the argument that shorter hours would lead to less unemployment. It states: "Surveys conducted by the Labour Department show that almost 23 million Americans - or more than one out of every three at work - are putting in work-weeks of over 40 hours, with some 13 million logging over 48 hours.." "...this is at a time when around 4 million persons, or $5\frac{1}{2}\%$ of the labour force, are unemployed." Dealing with the argument that if all this overtime were stopped, at least one million jobs would be found, it analyses who these 23 million people are.

Knocking off the 5.2 million who are business-men, it then takes the 3 million "moonlighters", that is people who have more than one job. Saying it would be clearly impossible to limit the number of hours these people work, it goes on to the 15 million wage and salary earners with one job who are working overtime. (One might have thought that there would be some comment on the fact that some 3 million people have to do 2 jobs in the richest country in the world - but there was none). Of the 15 million, "some 4 million are in professional and managerial occupations. The excess hours these people devote to their jobs could scarcely be spread among the unemployed....in the past decade, the number of professionals putting in over 48 hours a week has doubled, primarily because of the shortage of qualified people."

"...This leaves around 11 million persons working overtime whose job could conceivably be spread among the unemployed." Then comes an important admission: "...Fringe benefits, which have been steadily increasing, seldom rise in cost when employees already on the payroll work longer hours. For example, social security taxes - which cost the employer $3\frac{3}{8}\%$ - may not rise for workers doing overtime since these apply only to the first \$4,800 of an individual's earnings." (our emphasis). In other words, it is cheaper for the employer to have his workers doing overtime than to employ extra workers.

The article certainly shows that the argument about overtime and unemployment is perhaps more complicated than some people have thought, but it also reveals some facts which show the inefficiency and waste of American capitalism.

SWEATY ROBOTS TEST LIFE UNDERGROUNDbased on New Scientist item

The anxieties of the American nation in its endeavours to ensure that at least some would survive a nuclear holocaust has, it appears, spawned a new race, the "simocs". The simocs are a hardy breed who "live" and have their being in sultry tombs in various parts of the U.S. Man is essentially a heat machine; one that dissipates waste heat, and moisture..to his surroundings, which if they should be the congested environment of a survival shelter, where the U.S. Government has allotted to him some 70 million cubic ft., of room to dash about in, he will probably soon find things a trifle stuffy. Just how stuffy is the job of the "simoc" to find out...

SPANISH STRIKERS FREEDbased on ICFTU Bulletin report

The court of Oviedo, in the Asturias region of Spain, acquitted 5 trade unionists, members of the Spanish general workers' union UGT, on 17th December, 1963. This verdict was returned after a trial which had lasted 4 days. In July, 1963, the Oviedo police announced the arrest of these 5 trade unionists...accusing them of having been amongst organisers of the miners' strike - which took place in July and August, 1963 - and belonging to the 'socialist-marxist' organisation UGT/ICFTU. The principal charge made by the public prosecutor was that of having reorganised the General Workers' Union inside Spain, and the accused were each sentenced to 5 years' imprisonment and fined 50,000 pesetas (about £300). The accused admitted having distributed tracts and 16,000 pesetas amongst the families of deported strikers and workers.

Defence Counsel for the UGT trade unionists called for their acquittal, arguing that they had reorganised the trade union movement clandestinely in order to defend trade union rights for the workers, since the present state-controlled trade union organisation resembled a trade union in name only. As a result of the statement by the Defence Counsel, the accused were acquitted. The arrest of 5 trade unionists was mentioned in the joint complaint of the International Confederation of Free Trade Unions and the International Federation of Christian Trade Unions to the International Labour Office in August, 1963.

DE GAULLE IN SOLE CHARGE OF FRENCH BOMB

A decree published on January 20th, in the French Government gazette, the Journal Officiel, gave President de Gaulle full responsibility for committing and using French nuclear forces. The decree said: "The Commander of the strategic air forces is charged with the execution of operations by these forces on orders given by the President of the Republic." The strategic air force is the present French nuclear force because it is armed with atomic bombs. The new decree, in general, made official and strengthened the responsibility of the President.

WEST GERMAN DEMONSTRATES MINIATURE ROCKETS

The Month, published by the CND Information Office, carried the following item in its January issue:

"A demonstration of rockets was given by a Hamburg firm to a number of scientists and military experts. Their maximum range was limited, for security reasons, to 18 miles, and they can carry $6\frac{1}{2}$ lbs of explosives. The one-stage rocket costs about £72 and the two-stage rocket about £110. They are propelled by solid fuel.

"It is said they were offered to a number of African and Asian countries for military purposes. The next day, the West German Government placed a ban on the export of all such rockets - they are only supposed to be manufactured for experimental purposes."

SOUTH VIETNAM PEASANTS SUPPORT VIETCONGfrom Le Monde Jan. 18th

An official enquiry undertaken in the 'strategic hamlets' by a joint American-Vietnamese team into the war against the Vietcong in the Mekong Delta has come to the following conclusions:

(1) The fear of a communist victory is widely spread. Most people, following the movement which seems at the moment to be winning, are on the side of the Vietcong;

(2) The much-publicised programme of strategic hamlets applied with millions of dollars of American aid present 'grave defects';

(3) The worst failure of the Government lies in its educational system which is 'too mechanical' to fight efficiently against the Vietcong propagandists.

ALGERIA TO BUILD OWN PIPELINE

Despite French opposition (see previous issues of the Week), the Algerian Government is to build a new pipeline between Hassi Messaoud and Arzew. This was announced by the Algerian Minister of National Economy, Bachir Boumaza, at a press conference on Jan. 24th. Work on the 500-mile new pipeline, which will cost some £22 millions, will start in the near future. Kuwait will provide a loan for construction, the Minister added. The new pipeline will be the third one linking the oil-rich Sahara with the Mediterranean. Originally to have been built by a consortium of companies (mainly American) the pipeline will provide valuable revenue for development of Algerian industry.

CUBA AND ALGERIA SIGN TRADE TREATYfrom Board of Trade Journal

A commercial agreement between the Republic of Algeria and Cuba was signed in Algiers on October 17, 1963, and ratified on November 27 1963. It is valid for one year from the former date, being subject to annual renewal thereafter. Amongst the products listed under the agreement for export from Algeria to Cuba are olives and olive oil, fruits, textile yarns, minerals, pumps and motors, tractors, and railway coaches. Exports from Cuba to Algeria will include sugar, tobacco and cigarettes and fruit juices.

ADEN TRADE UNIONS CARRY ONbased on ICFTU Bulletin report

Because most of its leaders are still detained, an acting leadership has been established by the Aden TUC. The acting General Secretary is Ali Abdo Thabet, General Secretary of the General and Port Workers' Union, who was released from prison on January 12th. The ICFTU has sent him a telegram to assure him of the continued support of the ICFTU. Acting financial secretary is Umer Kutbi Umer, treasurer of the Petroleum and General Workers' Union. Office equipment, seized by the police from the H.Q. of the Aden TUC shortly after a number of trade unionists had been arrested at the time of the bomb explosion at Aden airport, has now been returned. The representative of the ICFTU in Aden had asked that it be returned during his meeting with the British High Commissioner on January 6th. He also called for the immediate release of detained trade unionists. 4 were released on 12th January, however 20 are still detained and on January 21st the treasurer of the Government and Local Government Workers' Union, Matik Hanif, was arrested.

ZANZIBAR TRADE UNION MOVEMENT UNITEDbased on Zanews report

A united trade union, the Federation of Revolutionary Trade Unions, has been formed by the Zanzibar and Pemba Federation of Labour and the Federation of Progressive Trade Unions which decided at recent meetings to dissolve their separate organisations. A committee has been set up to draft a constitution for FRTU. In a communique it expressed full support for the Zanzibar revolutionary government. It said it was determined to safeguard the Zanzibar People's Republic at all costs. The communique also expressed full support for the action of the Government in expelling the U.S. Charge d'Affaires and stated:

"...We know clearly that U.S. imperialism will never stop causing confusion and carrying out counter-revolutionary activities in our country just as it has never stopped doing these things in other countries..."

THE SITUATION IN ZANZIBARbased on Zanews reportsLife returning to normal

Regular flights of the East African Airways between Zanzibar and other countries were resumed on January 24th. Postal services have also been resumed. Food, including vegetables and fruit, is now in good supply. Cinemas are open for afternoon performances and most shops, including Arab and Asian ones, have reopened. Steamships and dhows are busy handling cargoes in the port of the capital.

Revolutionary Council now supreme authority

A 30-member Revolutionary Council of the People's Republic of Zanzibar has been formed as the supreme authority governing the country, it was officially announced on January 24th. The Council is housed in the former Sultan's palace, now known as the People's Palace. The members of the Revolutionary Council include the President and vice-President, Ministers and Assistant Ministers, heads of police and the people's armed forces, trade unionists and youth leaders as well as representatives of the people who took part in the revolution. The latter include dockers, drivers, carpenters, peasants, tailors, cycle mechanics and technicians. President Karume is the chairman of the Council. The Council is representative of all racial groups.

The Council of Ministers and all government departments will be working under the Revolutionary Council which has powers to approve or reject the plans submitted by the Council of Ministers. The Revolutionary Council will enact laws, the old Constitution having been abolished.

Relations between Zanzibar and China develop

China has now established an Embassy in Zanzibar and on January 25th the Charge d'Affaires, who acts until an Ambassador is appointed, met the Zanzibar Foreign Minister (Babu) together with Secretary of Foreign Affairs and Trade. Meanwhile, the Zanzibar press and radio have been carrying material praising China, especially for its stand against American imperialism. On Jan. 24, Radio Zanzibar said: "China is foremost in the struggle against imperialism and colonialism headed by the U.S.", and Jan. 25th issue of the Government paper, Kweupe, said Zanzibar must use all methods to defeat its most ferocious enemy, the U.S.

WILSON'S SPEECH DEPRESSES THE MARKETfrom a London reader

Tumbling share prices on Monday, January 27th, showed what the stock market thinks of Harold Wilson's policy of taxing dividends more heavily. Widespread small selling with few buyers to take stock, caused jobbers to lower prices sharply, and falls ranged up to 2s. and occasionally even more. The F.T. Industrial Ordinary share index lost 4.3 points at 325.3, its lowest point since September 17th, 1963 (325.0) The day's fall was the largest since January 7th (4.4)

It was the tax aspects of Wilson's proposals which caused the most depression - the promise of an "effective" capital gains tax and a system which would discriminate sharply between distributed and non-distributed profits. The only bright spot for the share-holders was Wilson's reference to automotive equipment in manufacturing brought in buyers for makers of such equipment.

FINANCIAL TIMES HAS MIXED FEELINGS ON WILSON'S SPEECH

Commenting editorially on Monday, January 27th, The Financial Times generally praised what Wilson had to say about science and industry but continues: "If this was the best part of Mr. Wilson's message, undoubtedly the worst part concerned the steel industry and his ideas on company profits. Steel nationalisation is a gesture to the Labour Left, and one which a leader as strongly placed as Mr. Wilson appears to have no need to make....On distributed profits, the imposition of heavier taxation would be a retrograde step. This is an encouragement, not so much to investment as a whole, as to the ploughing back of money inside a company without having to submit to the discipline of the market....."

"The impression that remains is thus a mixed one. Mr. Wilson has several strong economic arguments - his conviction, which is right, that the structure of the economy should be more technically advanced, his support for an incomes policy, his ideas on retraining, his support of import training, and his proposals that a real effort be made to bring the tax structure up to date. On the other hand, some of his proposals - the restrictions on office building is another - are atavistic and only likely to appeal to those who are ideologically on the left of the party. Between Labour and Conservatives, as Mr. Wilson acknowledged, there is, on many topics, little to choose. But the Tories have the edge when it comes to accepting the disciplines of the market while Labour leads in accepting the disciplines of science.

THE WORLD'S BIGGEST MANUFACTURING FIRMbased on Reuter report

General Motors, the world's biggest manufacturing corporation reported record income sales and employment during 1963 in preliminary estimates released on January 27th. Net income was estimated at \$1,592m. (about £570m.), a record for any corporation in any year, compared with \$1,459m. in 1962. Estimated sales totalled \$16,500m. (about £5,890m.), compared with \$14,600m. (£5,178m.) in 1962, the previous record year.

WAGES COST UP 2% - PRICES UP 4%

The Financial Times in collaboration with the Coal Board, British Railways, two of the country's largest motor manufacturers - the Ford Company and the Leyland Motor Company - organisations whose total purchases exceed £600m. a year - and with the help of the Purchasing Officers Association, has made a survey of what is happening to prices in industry. . . . The findings of this survey demolish the argument that wage increases are the main factor in inflationary pressure. Reporting on January 22nd., the Financial Times says:

"..The results of the survey pinpoint three developments in the economy.

"1) That the average price increases being demanded in the engineering industry, and particularly at the heavy end, are in the region of $4\frac{1}{2}$ to 5%. This is over twice the increase in costs which can be attributed to the recent wage settlement, to which most of the price increases have been linked. (our emphasis).

"2) That the tone of the price demands is more "militant" - an expression used more than once by businessmen co-operating in the survey - than any for several years. The price adjustments started coming in on almost the same day as the wage settlement was reached, (our emphasis) and there has been less "give" than usual in the bargaining that has since taken place.

"3) That these increases in prices, which in some cases are remarkably similar across a wide range of products, are being fiercely contested by the buying companies. Both the Coal Board and Ford, for example, are refusing on principle to pay significant increases. Tough negotiating sessions lie ahead, with the possibility that some companies may be forced to buy abroad.

In an article written in the same issue summing up the results of the survey, George Cyriax, the paper's economic Correspondent, explains how the calculation on wages and costs was arrived at: ".....The Board of Trade 's census shows that engineering costs break down at 40% labour costs, 40% material costs and 20% overheads;.....Thus a 5% addition to the labour costs"(this was what the engineering settlement averaged out at) "would, at the outside, add 2% to costs...."

BRITISH OXYGEN SHARE-HOLDERS DO WELL

British Oxygen share-holders will get a new share for every three ordinary shares held, this is in addition to a total ordinary dividend of 12%. These hand-outs were announced in the statement which Oxygen chairman, Mr. J.S. Hutchinson, prepared for presenting to the 78th annual meeting of shareholders. Sales were up last year, being £73,363,000 as against £67,987,000 the year before. Profits also rose - from £8,462,413 to £9,116,998, but taxation was down from £3,425,907 to £3,154,980. The net result of these figures was to leave nearly a million pounds more to distribute. The one-for-three issue, it is proposed, will be met by capitalising £10,261,116 of reserves.

Home profits were rather less, reflecting the reduced scale of demand in the engineering trade for oxygen. This was balanced by better overseas profits - one black spot, however, was Burma, where "private enterprise is much restricted by Government, and...development..stopped."

THE WEEK - THE WEEK - THE WEEK - THE WEEK-- THE WEEK - THE WEEK

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