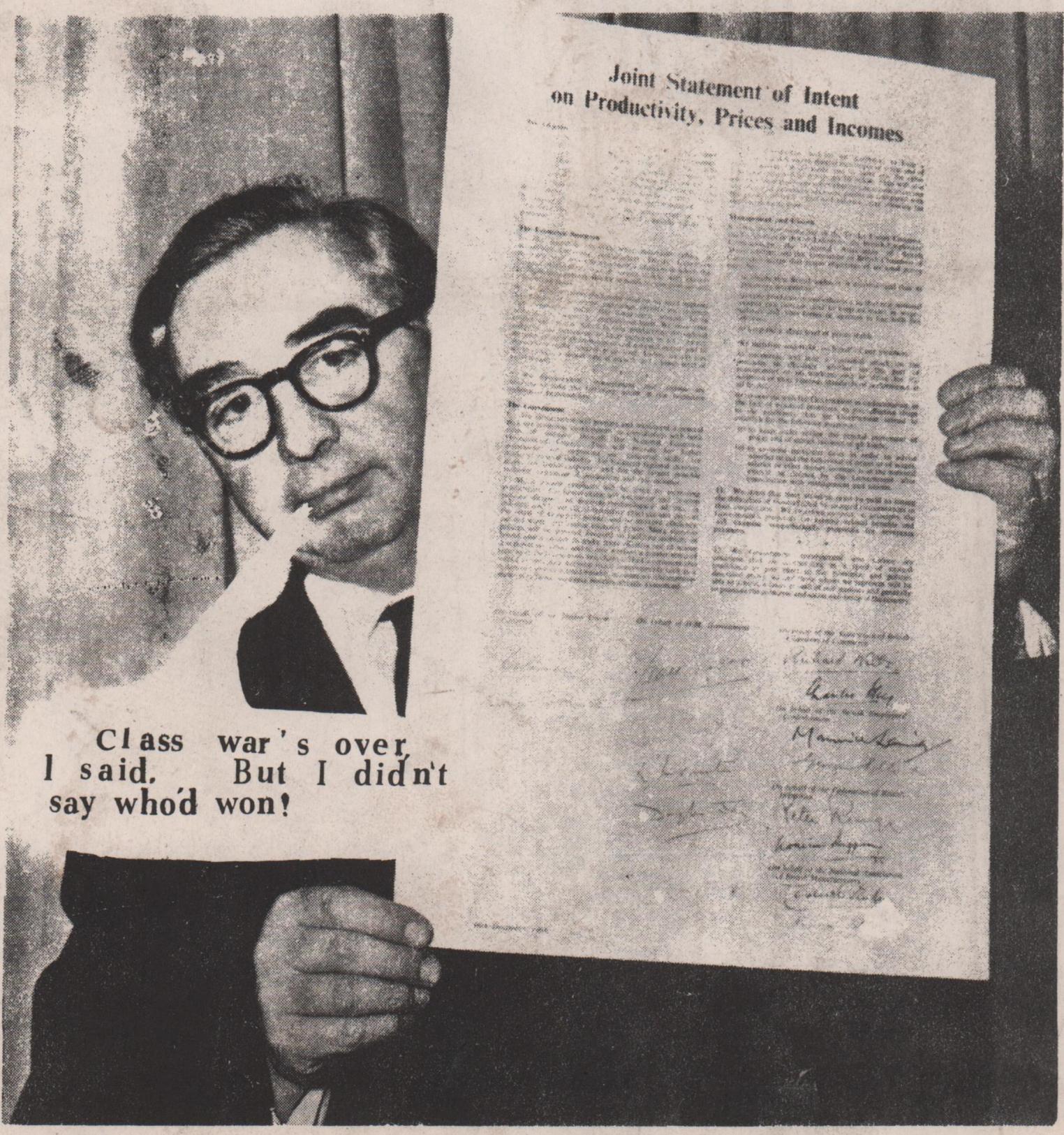


# The Week

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- SCARBOROUGH SCANDAL
- VIETNAM CAMPAIGN
- CHINA'S VIEW
- SHOP STEWARD SPEAKS OUT
- WORKERS' CONTROL CONFERENCE



Class war's over,  
I said. But I didn't  
say who'd won!

## Joint Statement of Intent on Productivity, Prices and Incomes

The Government and the Trades Union Congress have agreed a joint statement of intent on productivity, prices and incomes. The statement is a landmark document which sets out the government's policy on these issues and the trade union movement's response to it. It is a significant step towards a more equitable and efficient economy.

**The Government's Policy**

The Government's policy is to ensure that the economy grows at a rate which allows for a steady increase in living standards. This is to be achieved by a combination of measures, including the promotion of productivity, the control of inflation, and the maintenance of a fair income policy.

**The Trade Union Movement's Response**

The trade union movement has agreed to support the government's policy. It has committed itself to a programme of productivity improvements, to the control of inflation, and to the maintenance of a fair income policy. This is a significant step towards a more equitable and efficient economy.

**Signatories**

The statement is signed by the following representatives:

- Mr. Harold Wilson, Prime Minister
- Mr. James Callaghan, Secretary of State for the Economy
- Mr. Roy Jenkins, Secretary of State for the Environment
- Mr. Anthony Crosland, Secretary of State for Education
- Mr. Kenneth Robinson, Secretary of State for the Home Office
- Mr. John Gorton, Secretary of State for the Foreign Office
- Mr. Peter Hall, Secretary of State for the Arts
- Mr. John Gummer, Secretary of State for the Environment
- Mr. John Gifford, Secretary of State for the Home Office
- Mr. John Gifford, Secretary of State for the Home Office
- Mr. John Gifford, Secretary of State for the Home Office

From the Business Manager:

Last Summer we found that during the months of July and August our income dropped sharply, to such an extent that we had to make an emergency appeal for funds.

It is natural that during the summer months, political activity, meetings, letter-writing, etc., are at a low ebb. But we still carry on producing THE WEEK!

This year, with a greatly extended circulation and tight budget, it is essential that we take action now to ensure that we can carry on producing THE WEEK during the summer months.

Readers can help in several ways:

- \* Send us a donation using the attached form.
- \* If you owe money - for an expired subscription, or bulk copies, send it now !
- \* Help us on a long-term basis by filling out the Bankers Order on the reverse of this sheet.

During the summer months we hope to take the opportunity of personally visiting many of our readers whose acquaintance we have not yet made. We would like to discuss the future of The Week with you and political developments in your locality. We will write to you shortly before we intend calling, but readers can help by sending us their thoughts on The Week and allied subjects beforehand.

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Return to THE WEEK, 54 Park Road, Lenton, Nottingham.

I enclose a donation of £.....s.....d for The Week. I do/do not require a receipt.

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24/6/63  
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Students 25% discount.

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STEP FORWARD IN WORKERS' CONTROL CAMPAIGN

The third seminar on workers' control, held at Manchester last week end, took the whole campaign for participants' industrial democracy a new step forward. The attendance was overwhelmingly by trade union and Labour activists, drawn from a very representative cross-section of industries. Unions represented officially included the miners, the firemen, and engineers. Trades councils and Labour Parties provided a goodly number of delegates. There were lively groups of spokesmen for the study groups which have been working in the docks and in the steel industry. Welcome visitors included Mr. Chaudhrey and a contingent of Indian workers from Courtaulds, fresh from the recent dispute, and Frank Allaun and Stan Orme, the popular Salford M.P.s. Students and teachers from several universities were also present.

The meeting set up three commissions to explore the problems of industrial democracy and incomes policy, of a democratic steel bill, and of workers' in the docks. A number of resolutions were prepared in these commissions, and subsequently ratified in a full session of the conference. These covered the preconditions for incomes policy, the structure of the docks in the light of workers' control, and Mr. Gunter's relationship to the trade unions. Full reports of these will appear in subsequent issues of The Week.

One sidelight is worth mentioning. A visitor purporting to be a seaman, but variously describing himself in private conversation as a Bow Group researcher into left wing politics, an employee of I.R.I.S., and a full-time officer of the Conservative Party, made his presence felt. During the time he was present, someone stole the address-list of the seminar. If it should turn up, either at the offices of the Bow Group, or I.R.I.S., or the Conservative Central Office, can we appeal to the recipient to return it? It will in any case be published in The Week, as have previous similar rosters. At the cost of a subscription, curious individuals in such organisations would be able to preserve the integrity of their beliefs in the sanctity of private property.

As is well known, Mr. Wilson's "initiative" in announcing the Commonwealth peace mission has got the raspberry from both Peking and Hanoi. Needless to say the British press has not given a clear picture of the Chinese reasons for turning it down. Instead the extravagant phrases have been seized upon and the whole onus placed upon the Chinese for the failure of the mission before it even started. We cannot go all the way with Uncle Mao, (the Chinese do not seem to see Mr. Wilson as anything but an American cat's-paw; they ignore completely the Government's need to take into account the growing opposition both in the Labour Party and outside) but the questions raised by them have to be faced squarely. The following is a summary of the People's Daily editorial of June 21.

The article gives as Mr. Wilson's motives in announcing the move firstly his desire to come to the aid of the Americans who are "at the end of their tether" in Vietnam. It sees the mission as an attempt to revive the idea of a ceasefire in Vietnam to give the Americans a breathing space. Secondly, the timing of the announcement was designed to prevent the U.S. being condemned at the Algiers conference of Afro-Asian nations. For this purpose it was necessary to announce the participation of Afro-Asian delegates in the mission.

The People's Daily goes on to argue that the move was clearly inspired by the Johnson administration and quotes both hints before the announcement and the pleasure with which the U.S. responded as evidence. The paper poo-poo's the idea that it is necessary to find out where the Vietnamese or the Chinese stand and quotes statements which give these Governments' positions. It says the same goes for the U.S.; everyone knows that they have stated repeatedly that they intend to hang on in S. Vietnam. "What need is there to ascertain in the matter of Vietnam that U.S. imperialism is the aggressor? Can there be any doubt that the only solution to this question lies in the withdrawal of U.S. force?"

The editorial says that the British Government's position is unacceptable because it involves recognising S. Vietnam as a separate country - a move entirely in keeping with U.S. policy. Furthermore, "On Vietnam, every aggressive step taken by the U.S. in widening the war has been acclaimed by Britain; every U.S. political intrigue to launch its peace talks swindle has found an echo in Britain. Of all the allies of the U.S., Britain can be termed its most faithful servant.

"It is common knowledge, however, that each of the 21 members of the British Commonwealth finds itself in different circumstances, taking very different positions. After Wilson declared the formation of the 'mission', Tanzania opposed it, saying it could not 'represent a common viewpoint'. Ghana laid down preconditions. Kenya objected to Wilson's leading the mission himself. Both Australia and New Zealand are providing cannon fodder for the U.S. aggression. Therefore, like Britain, they are simply not qualified to discuss the question of peace in Vietnam at all.

"Wilson seems to think that the British Commonwealth label will make his formula 'difficult' 'to refuse'. China has already banged the door in Gordon-Walker's face. Our door is always wide open to friends of all countries who oppose U.S. imperialism <sup>and</sup> support the Vietnamese people's struggle. As for the political touts who are peddling the U.S. peace talks swindle, it is right for us to refuse them and it is not difficult for us to refuse them."

The lesson is clear: if we are to have any success in helping to end the war in Vietnam, we must first get the Government to condemn U.S. bombing, recognise the Vietcong and call for the withdrawal of U.S. troops.

As mentioned in last week's issue, The Week is co-sponsoring, with New Left Review and Union Voice, a public meeting organised by the National Association of Labour Student Organisations. Ian Mikardo, M.P., will be speaking, but the main emphasis will be on questions and discussion from the floor. As many different shades of left opinion as possible have been invited, and the meeting is being publicised as widely as possible, because the idea is to give the rank and file a chance to join in a wide-ranging discussion on the Labour Government, the prospects of the left, and what we can do in the present situation.

The meeting is at the Conway Hall, Red Lion Square, London W.C. 1. at 2.15 p.m. on Sunday, June 27th. All readers of The Week are urged to publicise the meeting as widely as possible.

BRISTOL TRADES COUNCIL TO SUPPORT LOBBY from Tom Nicholls

Bristol Trades Council agreed, at its June meeting, to support the mass lobby of Parliament on Vietnam, on Wednesday 30th June and to send two official delegates. In addition, all affiliated branches are to be circulated asking them to support the lobby and the petition to Parliament.

A local committee of the Council for Peace in Vietnam has been formed. A meeting has been organised at the Museum Lecture Theatre on June 22nd and an open-air meeting on the Centre at 7.30 p.m. on 30th June to coincide with the lobby. One coach has already been booked for the lobby and seats are still available. Provisional arrangements have been made for it to leave Horfield Common between 1.30 p.m. and 2.00 p.m., fare 15/- (any one who wants to go should contact the provisional secretary: C.R. Gibson, 21, Briavels Grove, Bristol 6.

NOTTINGHAM CITY LABOUR PARTY SENDS VIETNAM RESOLUTION

At its last meeting, the Nottingham City Labour Party considered Labour Party Annual Conference. Seeing that the A.G.M. had unanimously decided to send a resolution protesting against the American bombing of North Vietnam, and calling for a change in the policy of the Government, it was decided to send this same resolution. There was some opposition to this proposal (some delegates considered this to be a shame-faced way of trying to avoid voting against the A.G.M. resolution) but eventually this was brushed aside by the majority of the delegates.

The meeting also decided to send Ken Coates, its chairman, as delegate to conference and nominate him for the National Executive Committee of the Labour Party.

FIRST SOUTH AFRICAN CRICKET MATCH TO BE PICKETED

Arrangements are in hand to picket the first cricket match the South Africans are playing in this country. The demonstrators are meeting at the Labour Party Office, 93, Saltergate at 10.15 on Saturday, 26th. Some cars are going from Nottingham and anyone interested should ring Nottingham 281833, <sup>Chesterfield</sup>

100 LEFT BOOKS FOR SALE: A list has been compiled and can be obtained by sending an S.A.E. to box 717, The Week, 54, Park Rd., Lenton, Nottingham.

(Editorial note: this is a report of the Seminar Group discussion at the Workers' Control conference in Manchester on June 19th and 20th)

On Saturday afternoon and Sunday morning the conference divided into four seminar groups to discuss draft programmes. Our own group concerned itself with incomes policy, and our first day's discussions never really got beyond the stage of generalities. Probably this is largely a reflection upon the incomes policy itself, which is lacking in any specific policy, except the blanket one of hoping to impose a  $3\frac{1}{2}\%$  limit to annual increases. Several speakers stressed that this amounted to no more than a freezing of the present situation, and did nothing to bring about the redistribution of wealth, which lies at the root of the Clause IV demand that the workers should secure "the full fruit of their labour, and the most equitable distribution thereof."

Harry Ratner of Derby, speaking of the Prices and Incomes Board, which would investigate certain industries, said our attitude should be, "Yes, we are in favour, but how is the Board going to proceed? We are in favour of such a Board, only if it has the power to call witnesses, and to go into the accounts of industries." We should also ask ourselves, "What is the composition of the Board, and how far are the workers to be represented?" One delegate thought that it was up to us to try and make the Incomes Policy work, so that the Government could get over the next two years and establish itself for further progress, but the general view was that no Incomes Policy could possibly be acceptable unless it was redistribution. It was, I think, Raymond Challinor who said that a really socialist incomes policy could be simply summed up as the "abolition of rent, interest and profits", and that the present policy did not even set out towards that goal.

This led into a discussion on the "Open the Books" theme, which, we realised, could not be made into a condition for accepting incomes policy, but which ought to be a necessary preliminary condition for considering one. Several delegates gave specific instances where examinations of accounts had revealed allowances being made for artificial depreciation. The lack of detail in companies' published balance sheets gave endless scope for manipulation. Pursuing this question of the publication of accounts, we concluded that no statutory move to enforce fuller accounting could possibly meet our requirements. We differentiated sharply between actual access to the whole accounting process and the much more limited insight which even the most detailed final balance sheets could provide. The National Coal Board was given as an example of an industry which published a full national balance sheet, but we thought it highly significant that it was impossible to get to know the detailed accounts at pit or area level. It is at these levels alone that the information could have provided any basis for action, or any real understanding of the figures.

Unfortunately, having got so far, we were not too confident that agitation could be developed around slogans like "Open the Books" or "Workers' Control". One Nottingham delegate made the point that the behaviour of Labour Councillors, who were supposed to be workers' representatives, did not give much confidence in the idea of workers' control. But we realised that this, in fact, was no more than an example of the behaviour we can

continued over/

\* Political Education Officer of the West Nottingham C.L.P. which is itself organising a conference on industrial democracy next month.

Incomes policy discussion continued/

expect, if we do not insist upon democratic control, and on exercising our own existing rights. This led quite naturally into discussion of the bureaucratic tendencies within the trade unions themselves. We recognised that much of the pressure for the modernisation and re-organisation of the unions came from very dubious sources, and was concerned with limiting workers' control within the workers' own movement. We should reorganise, but it was vital that we should do this from within the union movement.

One delegate pointed out the difficulty of propagating workers' control when the channels of communication were so largely in the hands of a hostile press. Ken Coates spoke of the difference that would come about if we could interest, say, 12 M.P.s to raise these issues in the House and thus bring them into the realm of general debate throughout the country. Stan Orme, who was one of the two M.P.s present the week end, and who took part in our own seminar group, could not see how we were going to achieve a viable incomes policy. He admitted that the incomes policy is already in ribbons and not accepted by the workers in general. But he thought we were missing the central point in pursuing slogans like "Open the Books" or "Workers' Control". The central issue was Clause IV and steel nationalisation, and we now had to fight to get this on the statute books.

#### WORKERS' CONTROL SCHOOL SLAMS GUNTER

The following resolution was passed unanimously at the Workers' Control school held in Manchester 19/20 June:

This conference is seriously troubled by Mr. Gunter's recent statement about "indiscipline" in the trade unions. We feel that shop stewards and local trade union representatives need and deserve strong protection by a Labour Government. Given this, they can play a vital role in the movement towards industrial democracy in a socialist society. The Minister's attacks undermine the strength of the movement at a crucial point."

#### YOUTH OFFICER TRIES TO STOP SCHOOL

from a Y.S. correspondent

The West Nottingham Young Socialists have organised a school on the first nine months of the Labour Government, with Ernie Roberts as main speaker. This is due to take place this Sunday, the 27th of June, at the Co-op Education Centre, Heathcoat Street, Nottingham, starting at 2.00 p.m. However, not everybody was pleased by this initiative: the Regional Youth Officer, on hearing about the effort, wrote to acting secretary and said that the school was unconstitutional because members of other Young Socialist branches had been invited. Any conference which was open to other Young Socialists must be organised through the constituency and, he claimed the constituency knew nothing about the school. Moreover, two other events were taking place around the same time and attendance must be affected. He advised the West Nottingham Young Socialists to call off the school "to avoid trouble". The letter was received the Monday before the Sunday of the meeting, and the mere fact that the West Nottingham Labour Party Political Education Officer attends all the meetings of the Young Socialists shows how little justification there was for the criticism. The West Nottingham Young Socialists are going to ignore this "advice" and go ahead. Already Young Socialists from 3 branches in Nottingham are coming, and others will attend from Ilkeston, Lincoln, Derby, Long Eaton, Ripley, Carlton, etc. Any reader of The Week will be welcome by the way.

The following "open letter" was given out to people attending the Labour Party rally in Manchester on Sunday, June 13th, by the North West Region of C.N.D.:

"Dear George,

You certainly do get around. Even your worst enemy would not accuse you of lethargy. But, sometimes we wonder if you are not wasting your time. While you belt around trying to squeeze the odd quid or two out of the economy, your mates in the Cabinet seem to be bent on chucking the cash down the drain.

"Take Dennis Healey for instance: £2,200,000,000 on defence, which isn't defence, and no one is going to attack us anyway. He did say that someday he hopes to cut the arms bill, but, as you know, the saving is needed now. If we are ever going to cut the arms bill then we must disentangle ourselves from the American attempts to keep reactionary regimes in power in Vietnam. Remember Korea. We got involved there, it ruined the economic programme of the last Labour Government and led to its downfall.

"In C.N.D. we cannot accept the Government's position on Vietnam, Every time a Government spokesman opens his mouth, he comes down hard on the American side, and removes us one stage further from the neutrality that would enable us to act as negotiator. When Patrick Gordon Walker went to the Far East, he ruined his own chance of getting a hearing, by blurting out that the war was 'going well for us'. For us!

"The Prime Minister has gone a step further. He has started to slang demonstrators for demonstrating. The day may come when Mr. Wilson might be glad of a demonstration. In the Labour movement we do not write off protest and political action so easily. The real problem is that some nutcase evolved the East of Suez policy. This is supposed to be the answer to the Chinese bomb, but we should know that China cannot be bullied into a more moderate position.

"Instead of the V-bombers and unqualified support for U.S. intervention, Britain should be leading a campaign to secure the admission of China to the United Nations. Try to persuade Harold and the boys to drop all that Kipling East of Suez nonsense. Britain is in need of a Government that can sort out our economy. This one could do it, but not if it has one eye on the road to Mandalay..."

MANCHESTER VIETNAM PEACE GROUP ACTIVE

from Alan Rooney

Supporters of the Manchester District Committee of the British Council for Peace in Vietnam organised a poster parade and leafleting of the George Brown Labour rally in Manchester, Sunday, June 13th. 200 petitions were signed and £5 collected in donations. This was followed up by a march through Manchester City centre on Saturday, June 19th. Over 300 took part (including students from the school on workers' control) and, again, signatures were collected. A special leaflet has been produced which explains the aims of the Council and urges people to support the June 30th lobby of Parliament. The next big activity in Manchester will be a protest rally on July 9th (Friday) at the Lesser Free Trade Hall, Peter Street; with Konni Zilliacus, Terence Heelas, Dick Nettleton and other speakers. The meeting starts at 7.45 and it would good if readers of The Week could publicise it.

The South African cricket team is touring Britain this summer. The Anti-Apartheid Movement has put out a call to all its supporters asking them to ensure that matches are picketed. The Movement wants all the spectators to be aware that the team is picked on a racialist basis. The it as follows:

June	Saturday 26th	v. Derbyshire	at	Chesterfield
"	Wednesday 30th	v. Yorkshire	at	Sheffield
July	Saturday 3rd	v. Essex	at	Colchester
"	Wednesday 7th	v. Surrey	at	The Oval
"	Saturday 10th	v. Gloucester- shire	at	Bristol
"	Wednesday 14th	v. Minor Counties C.A.	at	Jesmond (Newcastle-upon-Tyne)
"	Saturday 17th	v. Leicestershire	at	Leicester
"	Thursday 22nd	First Test Match	at	Lords
"	Wednesday 28th	v. Kent	at	Canterbury
"	Saturday 31st	v. Glamorgan	at	Swansea
August	Thursday 5th	Second Test Match	at	Trent Bridge (Nottingham)
"	Wednesday 11th	v. Middlesex	at	Lords
"	Saturday 14th	v. Hampshire	at	Southampton
"	Wednesday 18th	v. Sussex	at	Hove
"	Saturday 21st	v. Warwickshire	at	Edgbaston
"	Thursday 26th	Third Test Match	at	The Oval
September				
"	Wednesday 1st	v. Lancashire	at	Old Trafford
"	Saturday 4th	v. T.N. Pearce's Eleven.	at	Scarborough

It is to be hoped that all readers of The Week will help to organise activities as suggested <sup>by</sup> the Anti-Apartheid Movement. They should consider what else they can do to make sure that the South African cricketers get the welcome they deserve! Of course, these people are merely symbols and the aim of any activity must be educational and agitational, with the aim of drawing people's attention to the necessity of action by this country to fight apartheid.

A special responsibility rests with Labour Party members. A number of towns on the itinerary are Labour-controlled; as is well-known there is nothing <sup>many</sup> councillors like more than an excuse for a booze-up. The visit of foreign sports teams is usually used as a excuse for a civic reception. The left must establish the fact that any "Labour" councillor taking part in or voting for such receptions thereby becomes an accomplice of the Apartheid regime in South Africa. Any such councillor or alderman forfeits the right to be known as a socialist and is not fit to be adopted as a Labour candidate.

Unfortunately, there is little we can do directly to help our comrades in South Africa in their valiant and ceaseless struggle against Apartheid and for a socialist South Africa. However, we can make some amends for our inability to persuade the majority of the Labour Party of the need to boycott South Africa by waging a determined fight on the occasion of this tour.. Let us ensure that the South African cricketers go back to their country under no illusions that Apartheid is acceptable <sup>here</sup>. Let us make the position of any Labour Party member who entertains them completely unbearable.

## DIRECTORS LEARN HOME-TRUTHS

Last week's issue of this journal quoted from an editorial in the Financial Times which called for legal sanctions against "Wildcat" strikes. This and other similar items evoked a correspondence on the whole question. Some City directors must have wondered if their newsagent had made a mistake when they read the following in the June 17th issue of "their" paper:

"Mr. Whitby..in his denunciation of wildcat strikes makes a common mistake, that is, he assumes that the strikers in such instances are completely irresponsible. The root cause of all wildcat or unofficial strikes is, in 95% of the cases, sheer frustration. Invariably this frustration is engendered by the combined attitudes of the unions and employers. Wages negotiations have no time limit - to ask for a rise now and get it a year later is hardly encouraging to the worker to have faith in negotiations. The ordinary worker is not interested in the niceties of asking for a £1 in order to get 6shillings. He asks for a rise now and he wants it now. The press statements of the high-take-home earnings of £20-£30 per week are infuriating to the worker who is on a 42-hour week (the vast majority) and receiving £10-£11, or to the worker who has to work 60 hours per week to get it.

"It is interesting to note that the only truly democratic union in the U.K. is, or was until the anti-Communists took over, the E.T.U. Every office was an elected one; if the elections were rigged this was not the fault of the Communists, but because the rank and file did not take enough interest. When they did, they had no difficulty in removing the Communists. Only because the structure of the union was democratic were they able to do this. But now the so-called liberal element are attempting to change the structure. The majority of other unions have appointments rather than elections from the lowest paid office to the highest. The N.U.G.M.W. is a prime example. On three occasions as a shop steward I reported my area official to the district for negligence and received no acknowledgement whatsoever. In lay conferences we find retired officials up to 70+ who have a vote.

"Again, union officials sometimes pay more attention to political or personal aims than to their proper functions. Why doesn't the rank and file take action then? Simple, because they are bound hand and foot by the rule book which reduces the Magna Carta to science fiction. I could quote many examples but space would not permit, I would only add that the British worker will not be stopped from striking, whether it be legal or illegal. It is the only weapon he has to keep both union and employer in line. When the actions of these bodies individually or combined are in his mind unjust or arrived at without proper communication with him, he will strike. If strikes are illegal, there will be no difference, for the British worker from any part of the U.K., indeed anyone in the U.K., will almost invariably be prepared to suffer a greater injustice to correct a minor one, and I thank God we have that quality.

Samual Smyth (Belfast)

## GODBER WANTS STRIKE PENALTY

from a Parliamentary correspondent

A clause in the Redundancy Payments Bill amending the Contracts of Employment Act to provide that continuity of employment could not be broken by strike action was attacked in the House of Commons on June 17th by Mr. Joseph Godber, "shadow" Minister of Labour. Mr. Godber was incensed because a man could strike and not suffer if he later became redundant and claimed compensation under the Bill.

The Scarborough Labour Party has become widely known as one of the most undemocratic and reactionary bodies in the country. It has been described on T.V. as being "vastly totalitarian". Applications for membership are rejected arbitrarily and the business of the branch is conducted in conditions of absolute secrecy. Executive Committee members have even been known to refer to left-wingers as "socialist scum". The party holds three council seats but the Labour alderman and two councillors are consistent only on one count, that of slavish support for the Tory majority against the Liberal opposition. Between 1962 and 1965 two Labour mayors have presided over the council. This has meant that they have taken no part in local politics but have been content to lead a Tory controlled council! This state of affairs has savoured so much of Brobdingnag that conservative and liberal councillors could scarcely contain their amusement at the last mayor making. The Labour mayors have so obviously delighted in their chains and robes that vaguely indecent ditties have been composed and sung in certain of the town's bars and clubs.

The most outrageous example of political "backsliding" surely occurred when a discussion developed in the council chamber on the subject of allowing a company to establish itself in Scarborough. Alderman W.H. Smith (Labour Mayor 1962-64) actually said, "We must not judge this issue on whether the proposal would result in all the year round jobs for one hundred and twenty men. We must judge it on whether it is good or bad planning". This statement epitomises the political position of the Labour Party in Scarborough. Unemployment during the long winter months is endemic, and yet a Labour alderman talks breezily about "good" or "bad" planning.

Immediately before the municipal elections the Scarborough Labour and Trade Union Federation and the Young Socialists decided after earnest consultations that they could not support the "Labour" candidates. It was also decided reluctantly by the two organisations that they must ask the electorate to abstain from voting. This was done by inserting an advertisement in the local newspaper and by circulating a pamphlet in the Central Ward. Shortly after the election members of the Scarborough Young Socialists the Scarborough Labour and Trade Union Federation and the Scarborough New Left Club were subjected to intense police questioning on the pretext that the Representation of the People Act had been contravened in respect of election expenses. It is perhaps significant that the police began their enquiries within the statutory period for making returns of expenditure! The police acted as a result of receiving a complaint from the Labour Party and have eagerly made use of an opportunity to pry into the affairs of the town's three socialist organisations.

The position in Scarborough is desperate. Politically the branch exists in name only, a fanatical left witchhunter. No support is being given to the adjacent marginal constituency of Cleveland. Transport House refuses to set up a committee of enquiry and Miss Sarah Barker, grossly understating, finds the position in Scarborough "rather disturbing". Why this hesitation? Can it be that an investigation into the activities of the Scarborough Labour Party would produce evidence whose disclosure might damage the party at national level? Socialism is not, and never has been, characterised by pusillanimity and vacillation. If Transport House does not act immediately, all sections of the party can only conclude that the bureaucracy is lacking in courage, resolution and honesty of purpose.

As noted by Harry Magdoff, in his excellent article in Socialist Register, 1965, "Problems of United States Capitalism", despite the decline in the importance of capital investment by U.S. capitalism foreign investment has made a striking move forward. Whilst total investment in fixed capital declined from 10.3% of the G.N.P. during the years 1947-57 to 8.6% during the years 1958-64 its foreign investment increased rapidly. The total flow of capital out of the U.S. in the form of direct investments added up to \$6.3 billion for the combined years 1947-55. This jumped to \$15.8 billion for the years 1956-64.

This foreign investment is not only concerned with finding new markets or lower labour costs; it is a vital part of the U.S. export drive. For example, in 1963, foreign affiliates of U.S. industrial countries bought at least \$5 billion of U.S. goods. This represented about 25% of all U.S. exports of merchandise in 1963. Moreover, although U.S. corporations sent out \$16 billion for direct foreign investments in the years 1956-64, in the same years the rest of the world returned to the U.S. about \$23 billion as dividends, interests and branch profits resulting from direct investment.\*\*

A major recipient of U.S. investment in recent years has been the Common Market. This investment has been attracted by the rapidly growing market and a desire to get 'behind' the gradually increasing tariff walls. However, this U.S. investment has reached such a scale the worries are being expressed by various sections in the Six. As might be expected General De Gaulle has spoken out against the possible effects on the political as well as economic fronts. The latest issue of European Community, the publication of the London Information Office of the Common Market, carries an article giving background material to the controversy which has flared up. This article is worth quoting in extensio both for facts and figures and the attitudes revealed:

"U.S. investments in Western Europe and West European investments in the U.S.A. amount to very much the same in value. But the manner in which Americans invest in Europe is more important than the amount. Until recently European investments in the United States far exceeded American investments in Europe. Despite the massive sales of British-owned assets in the U.S. and the seizure of German and Italian assets as war booty during the second world war, Western European private long-term investment in the U.S.A. in 1956 was valued at \$9,008, while U.S. investment in Europe amounted to only \$5,224 million.

"Since that time the gap has narrowed sharply. At the end of 1963 long-term European investments in the U.S.A. were worth \$16,237 million, while U.S. investments in Europe were rapidly approaching the same level. The great difference between these two groups of investment is that the bulk (\$10,351 million at end of 1963) of the American assets in Europe are directly-owned concerns, whereas only about one-third (\$5,491 million of European assets in the United States were of this nature, the remainder consisting of share portfolio investments in U.S. concerns. Thus, in terms of directly-owned assets the U.S. "owned" twice as much of Europe as Europe did of the U.S.A.

continued over/

\*\* Mr. Magdoff's figures are all culled from U.S. Government reports and publications.

U.S. investments in Europe continued/

"Moreover, European direct investments in America are confined principally to a few companies (e.g. Royal Dutch/Shell, Unilever, Philips, Bowater, English Sewing Cotton) and constitute a relatively small proportion of total investments. Spread over the entire American industrial scene European investment is small and, what is more, largely anonymous. Such obviously European firms as Lever Brothers are an interesting rarity. By contrast, the predominance of U.S. enterprise in some European industries is immediately striking. For example, about 30% of the output of the 18 motor manufacturing companies in Western Europe is produced by seven American concerns. It is this sector predominance, above all in such key industries as oil and computers, that gives rise to European disquiet. The sometimes dramatic take-over battles for complete or partial control by U.S. companies, as in the case of Ford and Rootes in Great Britain, Machine Bull in France and Olivetti in Italy, help to increase these anxieties. Employees in modern industry, already remote from the powers of decision over their livelihoods, are doubly restive when that control passes to management based at least 3,000 miles away, and which is sometimes ignorant of the many deep-rooted social and cultural differences between European and American life and industry.

"There has been a sharp rise in the inflow of U.S. capital into Western Europe in recent years, as the table below for 1961 and 1963 indicates. Last year..there was probably a further rise, though figures are not yet available. Thus, although new U.S. investment represents a very small proportion of all new investment in Western Europe (and relatively much more in the U.K. than in the Community) it is rising much faster than total new investment in Western European countries. This fact, plus the concentration in particular industries noted above, contributes to the current controversy.."

The article goes on to point out that "as yet" Western European nations have not limited U.S. capital imports but rather encouraged them (by loans, reduced interest rates, accelerated depreciation provisions, etc.). One country, however, is reacting: "In recent months..in France, where American investments between 1958 and 1964 averaged \$560 million a year, the Government has tightened up on approvals of new investment by foreign companies. Of the several dozen applications received since last January only two have been accepted, and only investments likely to contribute to the government's regional policies are likely to be permitted..." The article concludes by saying that other Community countries have not adopted this policy. As a postscript the journal quotes some remarks by the Common Market Commission President, Walter Hallstein, which while being very polite, call for restraint.

U.S. Capital investment in Western Europe in relation to total national and industrial development. (in \$ million and percentage of total)

	1961		1963		1961		1963	
	Total US investment \$ mill	%	in manufact- uring industry \$ mill	%	Total US investment \$ mill	%	in manufact- uring industry \$ mill	%
France	104	1.2	62	1.1	199	1.25	149	2.15
West Germany	168	0.85	112	1.1	272	1.15	137	1.2
Italy	79	1.0	16	0.45	130	1.25	40	0.85
Netherlands	26	0.85	16	1.05	62	1.8	19	1.1
Total Community	406	0.85	228	1.0	720	1.3	390	1.45
U.K.	318	2.5	148	2.25	387	2.85	206	3.1

During the Japanese occupation of the Philippines, a guerrilla army grew and eventually cleared the Japanese from most of the islands. Known as the Huks - an abbreviation of the Tagalog expression for "people's anti-Japanese army" - they were eventually repressed by the U.S.-backed Government of President Magsaysay. By 1953 they had been crushed with most of their leaders either dead or in prison. The situation was very similar to that of Malaya, and a comparatively stable pro-U.S. regime was installed. However, things are now changing. Bands of up to thirty have been active in central Luzon (the main island) which is the rice bowl of the country.

At the height of their power in the struggle with the U.S.-puppet forces the Huks controlled most of this region and were estimated to have 10,000 men under arms. They organised the collection of taxes, local administration, etc., in much the same way the Vietcong do (although on a smaller scale). They are now picking up the strands of this previous organisation. They have adapted themselves to the new conditions of direct U.S. occupation; near the huge U.S. airforce base of Clark field a "honky tonk" town has grown up, Angeles, full of bars, gambling joints, brothels, and other sources of entertainment for the Americans. Many of these enterprises are run by Huk sympathisers and the proceeds thereof used for revolutionary activities. This again mirrors the Vietnam situation - most of the Vietcong's intelligence comes from girls who work in such establishments in Saigon and other large towns.

Huk guerrillas have, in the past year or two, been ambushing army units so regularly that the Philippines Government has put into the field its crack fighters. The Philippines Communist Party, the main political wing of the Huks, is very active in the trade unions and universities. The factors giving rise to a renewal are partially external and partially internal. Externally the successes of the Chinese and African Revolutions have revived self-confidence after the defeat of the 1950's. Both the Chinese and Indonesian Communist Parties give support to their Filipino comrades. There is a large Chinese minority in Manila and other large towns which supports the Huks. The connection between the Indonesian and Philippines Communist Party goes back to the 1920's. There is, of course, a language, racial and cultural affinity between Filipinos and Indonesians. A major role was played in the formation of the Philippines Communist Party by Tan Malaka, the internationally-minded Indonesian Communist pioneer who later fell foul of the Stalinists.

The internal situation of the Philippines, despite certain surface appearances of prosperity, is a typical semi-colonial one. There are more than 700,000 unemployed, in May this year more than 100,000 students left school without a job to go to, more than 60% of the children drop out of school before they are ten. The poverty of the peasants is as bad as that anywhere in South East Asia. There has of late been a growing anti-U.S. feeling. The Americans have forced on to the country several extremely one-sided trade agreements, which have antagonised the Filipino middle class. The occupation of large areas by the U.S. forces has had an adverse effect on many sections of Filipino business and agriculture. Many Filipinos have been killed by the occupation forces through carelessness. Of late the main bone of contention has been the American desire to have Filipino forces fighting in Vietnam. Thus the American imperialists face the opening up of yet another front against them. Like any system which represents a dying and outmoded social system, the more U.S. imperialism tries to preserve its positions the <sup>more</sup> opposition it evokes.