

W
H
A
T
I
S
I
S
I
S
I
S

W
H
A
T
I
S
I
S
I
S

W
H
A
T
I
S
I
S
I
S



WHAT IT IS &
HOW TO FIGHT IT

NOTTINGHAM I.M.G.

First - SOME WRONG ANSWERS.

a, WAGE RESTRAINT.- HEALEY'S SIX POUND LIMIT.

Labour Party leaders and many trade union chiefs have told us that the only way unemployment can be reduced is for the working class to accept a cut in living standards, so that the employers can make higher profits and, therefore, hopefully, be encouraged to invest more. This is the logic of the £6 limit and some particularly generous workers have even gone further and accepted voluntary cuts in pay, in the hope that such noble behaviour will prevent them from being layed off. This is a heads you win tails I loose kind of approach. Either way, through unemployment or through falling real wages, working people loose out. In any case, employers won't invest simply because real wages are low. They also need markets. By reducing real wages purchasing power is automatically cut. The trade union leaders committed the membership of their unions to the £6 limit in the hope that the Labour Government would take steps to 'reflate the economy', by cutting taxes and increasing government spending, thus building up purchasing power and providing expanding markets.

The T.U.C., however, were sadly deluded. Healey is unwilling to reflate. He thinks that if more money was put in peoples hands this would be spent on imports and that the balance of payments would be in an even greater deficit. He also thinks that prices would rocket and spark off a round of even higher wage demands. The Labour Government, therefore, refuses to play ball, even with the timid schemes of the T.U.C., and reflate the economy. Any acceptance of the Governments policy of real wage cutting is therefore, not going to bring down unemployment.

b, IMPORT CONTROLS.

Another policy being put forward is that a system of import controls should be introduced. It is reasoned that if foreign goods are kept out then people will have to buy British and that would mean more jobs for British workers. In Nottingham, recently, many textile workers with the support of their union and their employers! marched and held a meeting in the Square, in favour of import controls. As much as we understand the very real fears that these workers had, we must say that we consider them to be wrong in making this particular demand. Why would import controls be no answer to unemployment?

The imposition of import controls by Britain would inevitably provoke retaliation from other countries against British exports. The present trade depression is world wide, affecting every capitalist country, many of whom have much higher unemployment rates than Britain. If capitalist countries generally, erect heavy barriers to protect their home industries, world trade would decline, markets would fall even further and unemployment would actually rise! The spectacle of the 1930's, an era of mass unemployment and heavy trade barriers, would really be with us.

Some argue, however, that Britain should not impose import controls on the goods of all foreign countries but just on the poorer, weaker ones like Portugal, South Korea, Taiwan, Hong Kong and India. This is the so called system of 'selective import controls'.

It is pointed out, quite correctly, that the workers in these countries work for starvation wages, in inhuman conditions - and that this is the main reason why exports from these countries tend to be much cheaper. But let us go a stage further. The reasons why these workers face such crushing exploitation is that most of these countries are, or have been until recently, in the grip of murderous dictatorships, which surpress labour and trade union organisations. Unemployment on a massive scale also helps to keep wages low. British, American and Japanese corporations as well as the corporations of the major European countries are usually the winners in this situation, as it is generally these interests that take the profit from this misery and squalor.

UNEMPLOYMENT - WHAT IT IS AND HOW TO FIGHT IT.

THE SIZE OF THE PROBLEM.

Unemployment in Britain as a whole is now well over 1½ millions. By this time next year, unless something is done, it will be in the range of 1½ to 2 millions. Locally, in September, there were over 13,000 on the dole in the Nottingham district, with many other workers on short time particularly in the knitwear industry. Also, a large but unaccountable number of married women workers are unemployed but cannot register for unemployment benefit as they are only covered by the National Insurance of their husbands. This situation is not likely to improve - there will probably be 500 redundancies at Plessey's soon, unless they can be successfully resisted.

WHAT CAUSES UNEMPLOYMENT ?

Under the economic system in which we live - capitalism, production is carried out to make a profit. Social needs are by the way. If employers cannot make the profits they consider adequate, they stop hiring labour and stop buying new machines, components and raw materials. Then, firms producing these components, machines and raw materials will also begin to lay off workers as their sales fall. But who buys the produce of industry anyway? The answer is, for the most part, working people. As overtime is slashed, short time working introduced, the number of lay offs grow - people directly affected have less to spend as their incomes are reduced. This then reduces the sale of goods in shops, who in turn reduce their orders to firms. Firms, consequently, find their stocks of unsold goods rising, cut production and lay off more workers. Then this whole merry circle starts to go around again!

The big shareholders in industry and commerce are fickle people. Whilst a notable collection of press barons and Archbishops exhort workers not to be greedy, to be loyal to their firms and to give a year for Britain, the big financiers take a rather different attitude! As the profits of their firms fall, as their dividends drop, they start selling their shares. Share prices then drop and, fearing capital losses, shareholders then indulge in panic selling. This process speeds up the number of factory closures. British industry is thus suffering from an investment strike.

Not content with this, however, the City of London has also gone on a credit strike. Due to the low level of business confidence, Banks and other financial institutions are refusing to grant credit or when they do grant it, are charging massive interest rates. The building Industry, for instance, which relies heavily on credit, has been hit particularly badly by this. Our internationally minded industrialists and financiers are showing a distinct preference for investing abroad!

Unemployment is not due to the fact that there is no longer a need for the goods and services that we, as workers, produce. Whilst machines and equipment lie idle, many people are inadequately clothed and housed. Most of us must be conscious of things we need and yet are unable to buy. If we had an economy which was planned, which was run by elected councils of working people, we could harness our resources and talents in a way which would really serve the needs of working people. We could ensure full employment and we could direct our resources to areas of greatest social need like, housing, health and so on.

However, whilst a planned economy under workers' control is the ultimate solution to unemployment, we are, for the moment, unfortunately stuck with capitalism. So what about the here and now? What strategy is needed to fight unemployment, and how can this be linked to the broader struggle for Socialism?

The real answer to this state of affairs is being shown by the workers of Portugal now, as it was shown in the past by the workers and peasants of Cuba and Vietnam. Workers in poorer countries deserve our support in their struggles, not a kick in the teeth. Socialists cannot support the idea that they should be thrown out of work just to suit us, this is the real meaning behind the idea of selective import controls.

c, RACISM AND SEXISM - NON SOLUTIONS TO UNEMPLOYMENT.

It is a small step from calling for import controls i.e. buy British goods - to calling for the employment of 'British workers only'. One 'solution' to unemployment put forward by fascist and racist organisations like the National Front is 'Blacks out first'. Doubtless the great minds in the N.F. would then attack black workers, thrown onto the dole queue as loafers!

'Women out first' is a similar non solution to unemployment, based on the idea that womens proper place is in the home and that, in consequence, if she goes out to work it is only for 'pin money'. This of course is an idea that employers have always latched onto as an excuse for exploiting women workers with less than equal pay. It is a view which ignores the fact that if women do add an extra eight hours a day to the burden of their never ending work as housewife and mother, then this is usually to add to desperately low family incomes.

The working class has nothing to gain by racist and sexist divisions in the fight against unemployment. It can only loose by them. In the recent strike at Imperial Typewriters in Leicester the white workers and the trade union officials refused to support the black workers struggle. In consequence their struggle was a long and hard one and when, after the strike was over, the company announced their intentions of closing the factory, the black and white workers were unable to put up any real fight. Also, were a policy of discrimination against black workers or women workers to be followed, any resulting increase in the employment of white, male workers would be very short lived. We have already pointed out that the central cause of unemployment is that the purchasing power of the population is less than industries capacity to produce. So if black workers are thrown out of work, or even worse - expatriated, or if family incomes are cut by working women being sacked, then markets would be reduced as would the number of jobs available for white, male workers.

d, WORKERS CO-OPERATIVES ?

The setting up of workers co-operatives has been another response by workers to bankruptcies, closedowns and lay offs. Attempts to set up workers co-ops, such as the Meridan motorcycle co-operative, the Scottish Daily News and others, were especially prolific when Benn was at the Department of Industry and the Labour Government was doling out financial aid to such experiments.

It is now clear the workers co-operatives are no real solution to unemployment. In the case of Meridan the work force has drastically fallen and the Scottish Daily News is now defunct, having been refused any more Government aid. The reasons for the failures of workers co-ops are obvious. Setting up a workers co-op merely changes the ownership and management of an enterprise. Unless the reason for closedown or bankruptcy is wholly or mainly due to serious mismanagement, which can be put right by the workers, then the workers will be faced with exactly the same problems as the previous owners. Sales may be too low and costs too high for the enterprise to be financially viable in capitalist terms. In this case - unless continued infusions of Government cash are supplied - then the co-op will have to contract, cut wages, lay off workers and perhaps eventually close down. In a planned economy run by and for working people it would be possible to continue to

subsidize a plant until its workers found satisfactory alternative employment. However, in a capitalist economy no state will continue to give financial aid to prop up ailing enterprises for social reasons. If every firm that went bankrupt could be sure of indefinite Government handouts capitalists would then act even more recklessly than at present, risking resources in the knowledge that the state would bail them out if they got into difficulties.

AN ANTI - CAPITALIST STRATEGY AGAINST UNEMPLOYMENT.

An aggressive counter strategy must start with the needs of working people - the right to work and earn a decent living. This involves a refusal to accept all layoffs and short time working - unless accompanied by full pay. Likewise there must be a refusal to accept sugar coated options like 'voluntary redundancies' and 'natural wastage! Natural wastage simply means that school leavers can't find jobs!

The fight against Social Expenditure Cuts.

One component of this fight for the right to work is the fight against cuts in government expenditure on education, health, housing and other social services. Because of increased pressure on this type of expenditure there is, for the first time, a growing real problem of unemployed teachers - just out of training colleges yet unable to get jobs despite large class sizes. Other public employees are feeling the pinch and are warning of the deteriorating standards in the health service and elsewhere. Because of the squeeze on council house construction building workers are finding themselves on the dole despite the housing crisis.

This squeeze on Government expenditure must be fought in a number of ways. Locally, NALGO have taken the initiative in calling a conference to be held some time in the new year against the threat of cuts. This conference should be supported by all trade unionists and it is hoped that NALGO will be outward going in trying to win the participation of all sections of the local labour movement. An alliance must begin to be created between all the public sector unions with the aim of protecting the real value of social expenditure against inflation through a 'sliding scale' of social expenditure. This means that for every rise in prices there must be a proportionate rise in welfare spending. It is not sufficient to retain existing levels of spending in an inflationary situation if cuts are to be avoided. In addition, we should seek to get a programme of useful public works going as one partial answer to unemployment. The illogicality of the capitalist system is fully illustrated by the combination of unemployed building workers on the one hand and a growing housing crisis on the other! A public works scheme could solve these two problems at once by providing work and more houses. Ideally this would be carried out on a national scale but in Nottingham we can translate this demand into support for a local authority, direct labour, building force, like the proposals that have twice been put to the City Council by Councillor Stephen Evans with the support of UCATT, the building workers union. On neither occasion did Cllr. find a seconder for his motion from the ruling Labour group on the Council! The labour movement in Nottingham should campaign to ensure that the labour group on the City Council reverses its short sighted opposition to this scheme.

Because the needs of working people and the fight for work runs counter to the way the capitalist system works it will have to be an aggressive fight and ultimately linked to a fight to overthrow the system itself. It is a fight in which workers can no longer afford to play the game by the employers rules. If they do, then within a few years, we could be left with a defeated and demoralised working class amidst soaring unemployment - just like the 1930's.

Hence the need for :

1, Opening the Books of the Employers and abolishing Commercial Secrecy.

Opening the company's books should get to the heart of the real situation in each enterprise and prevent the workers being tricked by the threat of unemployment. The Nottingham Evening Post of Friday October 17th reported the case of the firm, Albert Martin Holdings Ltd. which increased its turnover and profits in the last half year. Profits went up by £38,000 to £142,000. But 250 knitwear workers of this firm took a 10% pay cut earlier this year to help the company through the textile industry's troubles. Some workers were going home with £3 a week reductions because they had been told there was a danger the firm would close down. 'No one from management was available for comment' says the Evening Post - NO Wonder !

2, Workers Control.

By this we mean a direct challenge to the rights and authority of managers and owners. Factory occupations are now a common militant tactic, but workers on the continent have gone further. At the Lip watch factory in France, for instance, workers continued producing watches and sold them at the factory gate for their strike fund. Such an aggressive strategy requires mass support from other workers and this can be obtained by appealing for solidarity and using the resources of the occupied factory or plant to support other workers in struggle. A good example here was when the workers occupying the Bryants printing works in London used the presses at their disposal to print posters in support of the jailed Pentonville dockers.

The most advanced struggles unemployment coupled with a real challenge to the authority of the employers, are to be currently found in Portugal, where 60% of industry has been nationalised because of direct action by the workers. Workers Commissions (elected councils) are controlling or supervising management in most of the major industries and plants. The capitalists favourite newspaper the Financial Times reports how, under the pressure of the workers.. 'Whereas textile manufacturers in Britain and around the world have been laying off workers, the portuguese companies have had to go on paying theirs. The law says that companies can only lay off workers with 'just cause' - and a fall in demand is not deemed a 'just cause' '.

Portuguese workers have had considerable success in the struggle against unemployment by fighting for the nationalisation under workers control of their companies. However, the situation in Portugal is very unstable. The struggle of the workers has led to a steep fall in the employers profits - in the textile industry just quoted there has been a massive increase in unsold stocks. If the growing crisis in the economy is not to precipitate pure chaos then the workers commissions - in alliance with the militant rank and file soldiers committees, the neighbourhood committees and the agricultural workers committees - will have to consolidate and centralise their control of the economy and map out a planned strategy for a reorganised Portuguese economy along socialist lines. This, in turn, however, will require breaking the forces of the employing class who are at this moment preparing to break the workers movement through a reconsolidation of the Armed Forces.

As we have said, ultimately the fight against unemployment and for the needs of working people inevitably runs up against the capitalist system. What is required is a planned socialist system, democratically run by and through mass based committees of workers. The next period will be decisive in seeing, not just if the struggles in Portugal develop even further onto a higher level, but whether other European Countries, including Britain, will start out, determindly, along a similar road. The only alternative - one of working class demoralisation and defeat - is really no alternative at all !

...the Communist Party... the ranks of the employers... abolishing Communist Party... the Communist Party... the ranks of the employers... abolishing Communist Party...

By this we mean a direct challenge to the rights and authority of managers and owners. Factory occupations are now a common militant tactic, but workers on the picket line have been the life watch... the Communist Party... the ranks of the employers... abolishing Communist Party...

...the Communist Party... the ranks of the employers... abolishing Communist Party... the Communist Party... the ranks of the employers... abolishing Communist Party... the Communist Party... the ranks of the employers... abolishing Communist Party...

WHAT IT IS & HOW TO FIGHT IT