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9 day of February 19 71

1. The following information has been received from a reliable source:-

2. "The Annual Conference of International Socialists will be held on Saturday 10th, Sunday 11th and Monday 12th April 1971, at Beaver Hall, Garlick Hill, EC4."

3. Submitted with this report is a copy of the "Perspectives Document" for discussion at the conference.

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Sergeant

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Submitted

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A Chief Inspector

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ENCLOSURE 16 pages

TO [redacted] REF SF 703

# INTERNATIONAL SOCIALISTS

## PERSPECTIVES DOCUMENT:

- I. Perspectives for International Capitalism.
- II. British Capitalism.
- III. The Industrial Struggle.
- IV. Building IS.

Prepared for the Annual Conference by a subcommittee of the National Committee under the supervision of the executive committee.

EASTER 1971

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ANNUAL

CONFERENCE

DOCUMENTS

## 1. PERSPECTIVES FOR INTERNATIONAL CAPITALISM

1. The last year has seen certain contradictions in the permanent arms economy come to a head in the spread of the accelerated inflation throughout the western world. This inflation is important both because of the problems it raises, and also as a portent for the future behaviour of the system.

2. Build into the permanent arms economy from the beginning have been a number of contradictions:

a) the level of arms spending is determined not by the needs of the economy, but by international military competition, which can raise or lower the level of expenditure in the opposite direction to that needed to stabilise the economy.

b) arms expenditure has never been evenly spread between the western powers. The US (and to a lesser extent the UK) has borne most of the burden, while the other states have participated in most of the benefits. This has helped them to have higher growth rates and has increased their competitiveness vis-a-vis the US.

c) partly in response to this the US (and UK) has tended to reduce the level of arms spending over time. However, spending tends increasingly to be on projects that are highly labour intensive and specialised. The ability of defence spending to mop up unemployment is reduced, and the spin-off in terms of technological advance in civilian industry declines, while the inflationary impact of increased demand for skilled workers etc. is increased.

3. These features of the arms economy have had an important consequence of late: the relative rise of European industry has enabled the European powers to challenge the key role of the dollar in the international monetary system (and the benefits flowing to US capitalism from this. In addition, the involvement of the US in Vietnam led to a rise of arms spending (1966-8) which had inflationary consequences in the US itself. The strain put on the US balance of payments by the war increased of the challenge from European civil production. The US Government responded to these problems by trying to reduce its commitment in Vietnam and by restricting the flow of US investment to Europe while carrying through a domestic deflation. Unemployment was deliberately increased from just over two per cent to approaching six per cent.

But this deflation did not have the desired effects. Although the economy stagnated, inflation in the US accelerated further, and was also transmitted to Europe. To understand why it is necessary to look at the structural changes in the western economies that have taken place during two decades of expansion.

4. Structural Changes The growth in the size of firms makes them ever more able to dominate national markets, so that they can pass on cost increases as increases in price. But increasing international competition - sharpened by progressive cuts in tariff barriers - mean that firms cannot afford to risk a stoppage in output during which foreign rivals might scoop the domestic market. For many firms the cost of a strike is often heavier than paying a wage increase in current conditions, particularly where output is tied to long term contracts, capital costs are a high proportion of total costs, and long term plans are jeopardised.

And just as the industrial structure has become much more rigid, much more resistant to government influences over the whole economy, so also workers strategically placed at the centre of the biggest firms are able to ignore increasing unemployment on the periphery of the system. So the old situation where an increase in unemployment was supposed to cut wage pressure does not hold - workers do not curb their pressure, and employers are more willing to concede at least part of wage demands in expensive industries.

In addition, the availability of international finance from sources like the Eurodollar market means that the biggest firms can often escape local financial curbs. Although the scale of business operations is international, effective government intervention is contained within national boundaries. To be effective, government measures would have to be very harsh, and business itself will not permit that.

In any case, governments themselves dare not jeopardise the system as a whole by risking the collapse of any one major firm. A threat to a Penn Central or a Rolls Royce quickly prompts a change in government policy and specific action to salvage such companies even though this makes ineffective deflationary policies.

#### 5. The recent inflation

This has had a number of distinct sources:

- a) the Vietnam war induced inflation in the US economy. But because of the structural changes, inflation was actually speeded up by attempts to slow down the US economy from mid-1968 onwards. Firms could not abandon or delay gigantic investment projects as markets declined, so instead raised prices to cover increasing overhead costs. Their dominating position inside individual domestic markets permitted this. Workers reacted against the inflation of previous years by putting in for higher than ever wage increases. The only result of government policy was that stagnation was added to inflation.
- b) In order to evade the consequences of deflationary action by the US government up to the autumn of 1970, US firms borrowed abroad, so forcing up interest rates in Europe and starting to spread the increased rate of inflation to Europe. At the same time, the existence of an internationally mobile source of credit based on Eurocurrencies destroyed the effectiveness of any deflationary policy by each individual government.
- c) Simultaneously, the working class in many countries has been emerging from relative lethargy. The level of tolerance has been declining, and attempts to curb working class living standards have evoked massive resistance, as well as action by groups of workers hitherto among the least militant (so France, 1968; Italy, 1969; Britain, the "revolt of the lower paid" 1969/70; the action of municipal employees in the US, etc.)

#### 6. Effects of Inflation

The international scope of capitalist operation makes control of inflation enormously difficult for governments. But this same international scope makes control imperative.

a) the whole international monetary framework within which orderly capitalist expansion has taken place is continually threatened. The disintegration of this framework would make impossible the long term calculations of international costs on which a growing section of capital in each country is dependent.

b) the majority of capital still operates predominantly from particular countries and is threatened by a loss of international markets if inflation rises faster there than elsewhere.

Ruling classes cannot however find a ready answer to inflation. They try one set of policies (e.g. the US deflation of 1969-70) which do not work and so they then opt for another set which also do not work (e.g. Nixon's present course of trying to "expand out of inflation"). In the process the expansion of capitalism becomes an increasingly faltering one. And policies are followed which threaten to undermine the framework within which expansion occurs (e.g. the US threats to restrict imports from Japan, the periodic threats to the value of the dollar).

### 7. The Future

The present inflation shows how it is becoming much more difficult for national governments to control the local effects of contradictions within an international system.

In the US the response of the government to inflation seems to be likely to accentuate the long term trends in the arms economy. The prolonged boom and relatively low unemployment figures of the mid-sixties have been replaced by a policy of aiming at 5 per cent unemployment even during years of expansion.

The emergence of highly expensive and specialised weaponry of the ABM and MIRV sort is likely to increase the pressures for a further bout of inflationary arms spending, but (unlike at the height of the Vietnam war) of the sort that will not mop up unemployment, or give much help to civilian industry.

In Europe, expansion is being curtailed to counteract inflation. At the same time one of the well-springs of previous expansion - the massive reserves of immigrant labour - is being exhausted. More and more countries are likely to face the old impasse of the US and UK - a combination of inflation and stagnation.

Socially and politically, these changes make for a generalised increase in anxiety, if not hysteria, in which ruling classes can come to behave with an apparently arbitrary brutality out of all proportion to the nature of the real economic problem. In particular:

a) different sections of the ruling class will come into collision as governments pursue contradictory policies, and their bitterness will be intensified by the failure of successive policies to work.

b) sections of the middle class which are hardest hit by inflation may tend to break away - at least partially - with the dominant capitalist trends; usually, the break will be to the Right (Wallace, Powell and beyond).

c) workers will be driven to prevent the rapid depreciation of their real wages and insure themselves against the unpredictable effects of accelerated inflation as employers and governments try to solve problems at the expense of workers. In addition, the "staggered" effects of inflation - sudden upward lurches in prices - can have electrifying effects on worker consciousness, whether produced by, for example, increased rents, transport charges, food prices etc.

d) There will be increased bitterness between western capitalist governments as each tries to unload some of its difficulties onto others. Unable to resolve the problem of rising costs of production by deflation, governments will be tempted to do so by more traditional political methods (tariffs, etc.) which can cause increased hostility from other governments, as well as reduce the long term growth prospects of the system.

2. BRITISH CAPITALISM

1. Government Policy

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The prospect is even more dismal for British capitalism. The British ruling class has not been able to overcome the factors that have restricted the expansion of the economy in the fifties and sixties. Despite all measures, the growth rates of British capitalism's main rivals has been two to four times more rapid than Britain. As workers attempt to recoup past losses - arising from devaluation and Labour's wage freeze policies - the level of inflation threatens to be higher in Britain than elsewhere, at the same time as increases in British labour productivity are lower. Yet even with a balance of payments surplus, the government fears to expand the economy lest it unleashes a further threat to sterling (a threat progressively aggravated, by the growth of international credit operations).

Thus the only tactic left to British capitalism is to intensify its efforts to erode some of the gains made by the working class over the past twenty five years. In this direction, there are two sorts of policy towards the organised working class that the government could follow:

a) it could continue the policies of the Tories from 1951 - 1964, and of Labour, 1948 - 51 and 1964 - 9 and try - in periods of strain - to curb wages by relying on the trade union bureaucracy. The defects of this policy for the capitalists was that it wrecked long term planning by firms because the unions could never be relied upon to deliver exactly the goods required. In any case, as pressure on the British economy increased, so the policy unions were required to support became more and more extreme in terms of the interests of the union rank and file. The 1964-9 Labour Government vividly illustrated this. The willingless of the trade union leadership to back the government, risking support from their own rank and file, ran out. For the government, this meant the end of the potential of incomes policy, at least in the short term, and the need for a once and for all change in the balance of class power by a deliberate attempt to clip the wings of the unions. The Labour government attempted to introduce legislation to this end but was ultimately restrained by the political risks of rupturing its relations with the trade union apparatus, particularly with a general election approaching.

b) the Tories have no such compunction. Their Industrial Relations Bill is the centrepiece of a deliberate political attack upon the "Social Democratic Status quo" accepted by Conservative and Labour throughout the fifties and sixties. And it goes with a crude attempt to clobber organised workers, whatever the reaction of the trade union bureaucrats. The government is deliberately seeking set piece confrontations with particular groups of workers in order to set an example. In addition, they are flamboyantly anti-working class in a way that the Conservatives of the fifties were not - intensified attacks on the welfare system, tax redistribution in favour of the middle and upper class, selling off the profitable parts of the nationalised industries, increasing unemployment, and so on.

But the legislation is not intended to destroy the unions. Rather the Bill is intended to make the trade union leadership discipline militants, as well as an attempt directly to make it much more difficult for militants to fight both employers and union bureaucrats.

Depending on the degree of success of these present policies, the government may later want to try and involve the unions once again in an incomes policy. The government's own stability also depends upon its policy achieving at least moderately successful results. For the ruling class is still not solidly unified around the government, and failure can create all kinds of tensions.

2. The Labour and Communist parties

In electoral terms, the Labour Party is certain to experience some revival but, as a membership organisation, it has declined more or less steadily since the height of the Bevanite and unilateralist controversies. 172 constituency and borough parties failed to send a delegate to the 1970 Annual Conference and the paper membership is down to 680,000.

The number of activists in ward and constituency organisations has shrunk drastically and an increasing proportion of them are of professional rather than working class background. The LPYS remains small and appears to have no impact on the left in spite of a predominantly left-wing leadership, although in some areas and circumstances it may be worth attending its meetings.

As a significant field of work for revolutionaries the party is, in most areas, barren. However the decline is not necessarily irreversible. It is possible, though unlikely, that a leftish tendency, perhaps encouraged and even organised by left wing sections of the trade union bureaucracy, could develop. In that case a return to some work inside the party would be inevitable, though it would not necessarily imply entry in the traditional sense.

The problem of the Communist Party is quite different. The CP has never been a major force in general politics in Britain. It has been and still is the only group with a significant organised following in the workplaces. In spite of the decline in factory branches and the disorganisation of the trade union fractions, it was again proved on December 8th and January 12th that the party is still the natural organisation for leftish industrial militants to work with. It has the national connections, a cadre of known militants and some sort of base in several union machines.

The party's policy of subordinating its industrial work to the requirements of electoral and other agreements with left and not so left sections of the trade union bureaucracy creates tensions amongst the better elements of the working class membership. In spite of these, the CP influenced militants will not cease to look to the party unless viable fractions of revolutionaries, with some cadres and practical and realistic strategies, can be built. The revolutionary left cannot become a serious force in industry unless it can replace the CP as the source of connections, information, support and advice. It cannot, in many sectors at least, replace the CP without gaining the adherence of numbers of CP influenced militants. There is no short cut through this dilemma. Persistent, sober and non-sectarian industrial and trade union work, the development of programmes and connections and the growth of the stature and numbers of our own militants are necessary. Whilst exploiting the contradictions of CP policy it is essential to have a positive approach to the activists in or around the party.

The party's area organisations are of much less significance. The general picture is one of a fairly big paper membership. The typical London borough party, for example, will have several hundred dues payers. It is quite possible that the claimed 30,000 membership is not a gross exaggeration but the

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average level of activity is very low indeed and a figure of 3,000 more or less active members is probably realistic. Thus the party is not so overwhelmingly superior to IS IN TERMS of real participants. It is the industrial base that makes all the difference.

Our approach to the area organisations of the CP must be based on proposals for united activity on those issues which the party members know they ought to be fighting on. A united and non-sectarian approach can gain us influence, if not membership, and this in turn can have some effect on the industrial base.

The CP is in a state of ideological decomposition. It has the certainties of Stalinism without developing a coherent alternative. In effect a left social-democratic party committed to a parliamentary strategy, it lacks the sort of voting base that could make such a strategy credible to its members and periphery. The logical conclusion that flows from its political analysis is entry into the Labour Party. But this implies the liquidation of the CP because its members as a whole now lack the conviction and discipline necessary for sustained political fraction work. The sole real asset the party still retains is its network in industry.

The youth organisation (YCL) is weak nationally but has some fair size branches. Our approach to them ought to be the same as to the area organisations. However, being young, its members may be more open to our political ideas and there is a case, where individual members come close to us politically, for urging them to stay in the YCL and attempt to develop a left current. Naturally, this will depend on the local circumstances and in some cases the same approach may be fruitful in the case of the party itself. In any case efforts must be made to develop friendly contacts. It is obviously the case that any real regroupment of the left in Britain must include a substantial number of people now inside the CP.

Unity of the revolutionary groups remains a difficult problem though developments overseas might have an effect. It is essential that IS remains identified with the ideas of revolutionary unity and loses no opportunity to make positive proposals.

3. The situation facing us is thus a further intensification of the dangers and opportunities which have developed over the past five years. British capitalism cannot overcome the problems generated both by its own internal structure and its relationship to world capitalism, yet at the same time, the British ruling class does not have its back to the wall. There is still room to manoeuvre for the government, but it is space mortgaged to good luck: marginal changes can have dramatic effects. And that instability generates the anxieties within which wild and arbitrary acts of brutality become possible. The centre of the government's obsessions, around which all other elements of its policy are organised, is the class struggle in industry. And it is here that the greatest opportunities for the spread of revolutionary ideas exist.



3. THE INDUSTRIAL STRUGGLE

A. BACKGROUND

The last couple of years has seen some quite significant changes in the pattern of industrial struggles.

1. Until mid-1969 the general pattern was that depicted in Incomes Policy, Legislation and Shop Stewards. The overwhelming majority of strikes were short, involved few workers and were usually fairly successful, even in the period of a wage freeze. But wage freeze encouraged the spread of productivity dealing. It also hit the living standards of workers in industries which lacked the traditions of parochial militancy.

2. The movement of sections of these workers into action eighteen months ago began the destruction of the incomes policy strategy of the government. In a whole number of industries - council workers, miners, teachers and so on - a new pattern of militancy emerged, superimposed on the older pattern of more traditionally militant sectors. Strikes were longer and involved a far larger average number of workers. For these reasons they also represented much more of a challenge to national union officials.

This new movement of militancy has had two effects:

a) it has pushed a whole section of the trade union bureaucracy into a Left seeming pose.

We need however, to be very aware of the limitations of this. Although the Left union leaders are much more prepared to threaten militant action, and even put it into effect, than are the older breed of bureaucrats, they are no more prepared to take the risks of letting initiative slip into the hands of the rank and file. They organise carefully-contained militant action in order to bolster up their own standing within existing society - but this also depends on their ability to limit independent initiatives from below.

b) It has brought into militant action whole new layers of workers, the rank and file leaders of whom are often very open to militant political, as well as industrial, ideas, e.g. Pilkingtons, the factories of the South West etc.

2. The Tory government has felt compelled to try and limit the average level of wage increases. In order to do so it has

(a) tried to weaken the rank and file base of the unions by introducing the Industrial Relations Bill. But this has forced official union leaders to make at least token protests against the Government, partly in order to placate the rank and file, but also because the bill does threaten their own prerogatives at certain points (e.g. the closed shop). But the national officials fear any real class action against the bill. Their own power depends on no class polarisation occurring.

(b) gone out of its way to force a confrontation with unions in the nationalised industries to make them "wage leaders" in a downward movement. To achieve success here it has been forced into conflict with the extreme Right wing officials (e.g. the BTU). The growing body of militancy among many of the lower paid rank and file workers in these industries has pushed the leaders of these unions into a number of "set-piece" struggles with the government.

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## B. OUR INTERVENTION

1. Although not as dramatic as the big confrontations, the majority of strikes are still small and concern local issues, conditions, the implementation of productivity deals etc. In relation to many of these, local branches of IS have been able to intervene fairly successfully, at the same time drawing some of those involved around the periphery of the Group. The Incomes Policy book, and over the last year, the Productivity Book have been able to reach an audience of those involved far wider than the regular periphery of IS.

The production of regular factory bulletins has enabled a number of branches to keep in regular contact with large numbers of workers in key factories, relating particular parochial struggles to a broader socialist perspective.

If the government is at all successful in its efforts to restrict national wage increases and to make rank and file militancy more difficult, then the pressures for workers to accept productivity bargaining will continue to grow.

This means that the activity around the productivity book must continue. Branches should launch a new sales campaign with the Book.

At the same time the regular production of bulletins remains a vital basis for the further development of our industrial work. Branches cannot effectively intervene on a spasmodic basis.

2. However, over the last year the danger has emerged of the branches, and of the Group generally, not being able to take advantage of the opportunities presented by the "revolt of the lower paid" because of a certain routinism. Workers with little experience of militant trade unionism can be more open to political ideas when their factories erupt than many old hands. Moreover, their own lack of experience can make our intervention an important factor in determining whether they are victorious or not. It is, for instance, quite clear, that we were too slow in reacting to the possibilities at St. Helens in the early stages of the first strike there.

In order to overcome shortcomings at the centre in instances like this, the National Ctee. appointed at first a "triumvirate" for industry, and later, when finances permitted it, an industrial organiser.

Branches must work in immediate and continual collaboration with this Organiser when local strikes of national significance erupt,

3. As mentioned earlier, the Tories do not intend to smash the unions with the Industrial Relations Bill. Rather, their aim is to frighten the rank and file and make it easier for national officials to avoid commitment to action. The Tories do not want massive numbers of workers in prison, because of the effects of this in heating up the class struggle. They hope instead that, without really fighting, workers will be subject to pressures to accept further productivity dealing and a lower level of wage rises.

Trade union leaders both fear and welcome the Bill. They fear it insofar as it threatens to upset the delicate mechanisms by which they maintain their special position between the organised workers and the employing class. Some at least, however, welcome those features that will strengthen their hold over the rank and file.

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The majority of union bureaucrats will opt for making a great deal of noise about the Bill, but once it is passed, accept working within its constraints with talk about the need to vote Labour next time.

This will coincide with the desire of the Tories and employers generally that the bill frighten and intimidate workers, but is not used against them except when they are very unpopular and isolated.

However, neither the trade union bureaucracy nor the employers are organised monolithically. A maverick employer could use the laws in circumstances completely inappropriate to the desires of the ruling class as a whole (as for example, Roberts Arundel employed anti-union tactics at Stockport). Such action could crystallise a massive wave of militancy.

10 Again, the refusal of a strong union to register could play a havoc with the government's (and the rest of the trade union bureaucracy's) intentions.

Our intervention must be along parallel tracks:

(i) making propaganda for Councils of Action to organise rank and file struggle against the Bill, and in support of anyone victimised under it

(ii) pressing within unions the demands for refusal to register etc. (as passed at our industrial conference). We should not be over optimistic as to the impact of our demands. It is likely that the trade union bureaucrats will manage to co-exist peacefully with the laws for a period. But quiescence is not inevitable - we must also be prepared for a sudden unexpected flare-up of struggle.

b) a key element in the attempt to hold down wage increases for significant sections of workers is played by the government's ideological offensive. Workers involved will welcome any attempt to counter this offensive. IS branches should be prepared to make propagandacalling for support for such groups of workers, organising public meetings for them etc. In both the Council workers strike and the Power workers strike some branches did this, but the centre did not intervene sufficiently, not did many branches. In the future we must make such interventions quicker and more effectively. Where Action Committees exist we should push them to organise solidarity actions.

Central to our intervention in both the struggle against the union laws and in particular industrial struggles is the building of industrial fractions. In these, IS industrial members should work together in a co-ordinated fashion so as to draw around them the best militants in a particular union or industry, around the sorts of demands passed at the industrial conference, applied to the particular situation - i.e. (1) opposition to registering under the new laws etc. (2) rank and file control of the unions.

So far we have begun the task of building such fractions in a number of industries; teachers, car workers, printers, power workers, DATA. In most of these rank and file papers play the key role. These are essential for building the fractions, although they cannot replace continual political contact with the best of these militants through our weekly paper.

It has to be repeated - the building of the fractions is

important both to enable our intervention in the class struggle to be effective and to enable us to build an organisation based on the working class. Only the building of such fractions can ensure that the often isolated militants which particular branches come into contact with are fully integrated into the best work of the organisation.

Unfortunately, in many areas the building of such fractions is still at an elementary stage. Although the centre must take its share of the blame, the branches have also been remiss in not letting the centre know of contacts, e.g. in both the power and postmen's strikes, we did not hear of members - let alone contacts - in the industries concerned until the strikes were already under way.

It would be idle speculation to prophesy the exact nature of the reaction of union bureaucrats to the government attacks over the coming months. But whatever these are - whether acquiescence in the laws once in effect or occasional defiance of them - the opportunities to increase the influence of revolutionary ideas and the impact of our organisation among a large number of workers will grow. Likewise, however, a failure to develop the organisation so as to react correctly in such a situation would mean that we had proved our irrelevance to the class struggle. That is why the recruiting of an industrially based membership and its integration into the group through factory discussion groups, and where possible factory-based branches, and industrial fractions must be central to our whole work.



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#### 4. TOWARDS THE BUILDING OF THE REVOLUTIONARY PARTY

The present social struggles offer the Group the possibility of taking another step forward towards the construction of a revolutionary workers' party. By 1968 the Group had made the transition from being a propagandist Group to being capable of limited but significant interventions in struggle. Since then the Group has made a "turn to the class"; now practically all the branches are working towards industry, at least on the level of factory-gate paper selling.

However, the Group still lacks credibility and legitimacy in the eyes of most workers; our paper sales and active membership may be a third or even a half of those of the CP; our influence and prestige among militants are very much less. As a result, our ability to take a political lead is limited.

To overcome this lack of legitimacy it is not enough to fight to defend our traditions, our theoretical critique of Stalinism and Social Democracy, though this is and remains a vital task. We must above all work to establish our implantation in the working class and in its organisations, especially at rank and file level.

In particular, there are at the present time a significant number of industrial workers who are open to the ideas of revolutionary politics. To fail to win them for the organisation would be a serious evasion of responsibility. This is not merely a quantitative question; in itself a higher or lower percentage of industrial workers does not mean very much. But in the present situation a change in the social composition of the Group will involve a change in the political orientation of the Group's work; it requires that the present largely middle-class membership adapt themselves to the problems and preoccupations of workers; and at the same time that the Group demonstrates that it has something to offer to workers, in terms of political analysis and organisation, to help them overcome their fragmentation and isolation.

This change requires various improvements on the practical level. The atmosphere within branches must not be cliquish sectarian or academic (something quite different from being theoretically serious). Members must overcome their own lack of confidence which is often the main obstacle to recruiting workers. Non-worker members must show more initiative in exploring the possibilities of participating in the Labour movement via union branches, trades councils, etc.

This raises the question of membership of a revolutionary organisation, a problem which was spotlighted by the membership campaign. Two opposed positions have emerged within the Group, both of which contain dangers. On the one hand is an abstract caricature of Bolshevism, which sees dilution of the quality of the Group as the main threat. Such an approach is essentially conservative and denies the possibility of fundamentally changing the nature of the Group. The opposite danger is the fetishism of numbers, the indiscriminate offer of membership on the basis of a commitment to a limited form of militancy. The danger here is not so much dilution - except in small or isolated branches - as the fact that it makes the notion of membership less serious for both existing members and new recruits. Demand for a high level of commitment must not be a barrier to entry, for members become committed through experience in the organisation, but to win the best potential members it is necessary to stress the need for serious commitment.

Over the last ten years the Group has grown by responding to various radicalising tendencies in society by 'opening the gates' to new members. This means that education follows recruitment rather than preceding it. The advantage of this is that education relates much more closely to practice, and the need for theory emerges from experience. The Group has succeeded in absorbing such influxes in the past essentially because of its correct political analysis. However, much of the strain has been borne by informal personal relationships. These must now be replaced by a more effective organisation and a more formalised education procedure.

As our implantation in the class develops, we shall need to develop new organisational forms. This means in particular the building of factory branches and industrial fractions.

At the moment a good number of branches produce regular factory bulletins. These can be used in the next period to lay the basis for factory discussion groups. The perspective must then be to create factory branches. While these are crucial to our implantation in the class, it is important to insist that such branches do not merely deal with internal factory matters, but provide the political formation of their members. The relation of factory branches to geographical branches (the involvement of non-workers in factory branches, the means of ensuring that other non-workers do not become even more isolated from contact with workers) requires careful study.

We have been able, on the basis of our regular work, to consolidate and build serious fractional activity, already we have been able to assist in the launching of a number of genuine rank and file papers. During the next twelve months we must seek to increase the number of acting fractions.

The IS Group it is not itself the embryo of a revolutionary party. Many of those who will constitute a revolutionary party are at present in other revolutionary tendencies, in the Labour Party or CP, or not politically organised. We cannot lay down a schema for regroupment; this will depend on national and international events, and on the evolution of the LP & CP. In this situation two things are necessary. Firstly, that we stand for united front action on all questions of defence of the working class and opposition to imperialism. Secondly, that we are willing for unity with other revolutionary tendencies, providing that such unity is based on orientation to the working class and on serious negotiations (the IO-IC unity talks offer an excellent model). In any case, the more successful our implantation, in the class, the more constructive our contribution to unity will be when the opportunity presents itself.

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In the light of these perspectives, we can evaluate the successes and failures of the Group over the last year.

The advances made over the last year are quite substantial:

**MEMBERSHIP:** (this is a provisional report. A more exact and detailed one will be prepared after getting replies to questionnaires from branches. This report will then be circulated to branches at the beginning of March).

The organisation consists of approximately 1,300 members organised in 77 branches (plus 9 tiny 'branches'). At the last Conference - March 1970 - our membership was estimated at 880 members organised in 68 branches. So membership rose over the year by about 400.

Since the last Conference we have gained branches in Lancaster,

St. Helens, Exeter, Newton Abbot, Huddersfield, Grimsby, Fife, Nottingham, Slough, Harlow, Chertsey & Greenford. Teesside (2) and Angel have dissolved and their members joined other branches. Acton has divided into two: one called Acton, the other South Ealing.

There are contacts and possibilities of branches in a few other places - Telford, Crewe, Plymouth, Bletchley, Barnsley, Reading, Basingstoke, Hemel Hempstead.

The vagueness and uncertainty of the membership figures is due to:

- a) the enormous variation between branches in the definition of a member, both in terms of dues payment and in terms of activity.
- b) the failure of some branches to send dues to the Treasurer regularly and as a matter of routine.
- c) the seasonal fluctuation of reporting and payment for certain branches, whose members are mainly students.

There is little doubt that the number of comrades who regard themselves as members is well in excess of the number reported above.

At a rough guess, a quarter of our members are manual workers, a bit more than a quarter are white collar workers and about a third are students. This is a considerable improvement in the composition of membership over the last year.

#### The Centre & National Organisation

The cohesiveness of IS as a national organisation has improved out of all recognition over the last couple of years. One need only think of our intervention in the General Election campaign. Although at the 1970 Conference only a small majority supported the decision to vote Labour without illusions, all the branches - with one or two exceptions - acted in a very disciplined way. Similarly, at the Workers Control Conference, the IS members acted as an integrated, coherent body.

Over the last two years, we have gone forward from a four-page monthly to an eight-page weekly paper. Its quality as a weapon of agitation and propaganda has risen considerably. SW played a central role as an organiser - cementing the bond between the members and contacts. The improvement in the paper was helped by the fact that more human resources have been poured into the paper by the organisation (in the editorial, design depts.)

Closely connected with SW is the role of our printshop. The building of an effective printshop was due not only to the fantastic efforts of our printer comrades, but also to the enthusiasm of the members of the organisation. After teething troubles of a couple of months, and some further months needed to get enough commercial jobs to pay its way, we will find it a great asset in terms of greater subsidy to SW, leaflets, IS journal, pamphlets, books etc.

A subsidiary area in the centre of some importance has been the Book Service. It has helped in the educational work of the Group.

The lynch-pin of all our activities has been our secretary. She has been very effective indeed in keeping in touch with branches and individuals and also in the executing of NC/EC decisions.

One of the most important tasks carried out by the secretary

last year was dealing with new contacts. Over the year hundreds of people filled in forms applying to join IS or asking for information about IS. The secretary informed the relevant branches about these inquiries. To make doubly sure that no contact will be neglected, the Admin Ctee. recently instructed the Secretary to write directly to the people inquiring, besides informing the local branch. In the few weeks since this has been initiated, the reaction has been encouraging.

With the rise in membership, and especially in industrial activity, the burden of work on the secretary has become intolerable. Hence the decision to give her help from a comrade working in the office two days a week.

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However, serious weaknesses still exist, both in the branches and at the centre.

In most branches, the ultra-left policies and anarchist attitudes to the organisation which were prevalent two years ago have now largely disappeared, with the successful turn to systematic industrial work. However, this improvement has involved certain disadvantages; often it has meant the disappearance of imagination and initiative, leaving the branches as very dull places to introduce new members to. An excessive concern with bureaucratic detail and with routine means that many branches fail to take the initiative in sectors where important political gains could be made. A greater political sophistication in the Group often means that comrades take a purely negative attitude to anarchist and Third Worldist elements, rather than making a serious political attempt to win them.

Essentially this is a question of political education and the overall orientation of the Group. But certain organisational improvements can be made. The centre must give priority in the coming year, firstly, to the holding of a school for branch secretaries, and secondly, to the production of a set of notes on practical advice for branch organisation. In particular, the establishment of branch committees, where possible, can remove the burden of routine administration from the branch meeting. Branches could often be more flexible about the form of their meetings, dividing into sub-Groups for education etc.

At the centre, the main weakness lies in the National Committee. Although the NC is valuable in preserving the national cohesion of the Group, its role has not been clearly enough defined, and there is much discussion of a trivial and disorganised nature. The basic faults are that NC discussions are not adequately prepared, and that they are too often out of touch with the realities of the class struggle. The latter problem is accentuated by the fact that out of 40 members the NC contains only 7 industrial workers and 13 members from outside London. While administrative devices alone will not solve the problem, some improvement may be made if the Industrial sub/ctee nominates a list of, say, ten industrial members for election on the general list. These comrades would otherwise be less well-known than speakers and writers.

The main defect of the Executive Committee's work is that quite often it has been slow in initiating activities. The reaction to national events (December 6th, power workers work to rule) was much too slow. The EC has also failed to deal seriously with the pushing of publications (pamphlets, etc.) and education. Too often the EC have dealt with trivia, failing to delegate responsibilities.

The establishment of an Administrative Committee, made up of five full-timers, to deal with the day-to-day implications of EC decisions should help the EC to improve its work. (The AC is responsible to the EC, and at each meeting reports on its activities.)

There is also a need for better communications between the centre and branches. The centre must provide, not greater quantities of documentation, but more political material, reflecting political debate on the leading bodies, rather than administrative detail. Branches in turn must recognise the need to supply the centre with information.

To break down the serious isolation of provincial branches, to increase the communication between branches, to aid educational work by branches, the idea of setting up regional organisations was put forward. There has been a quite successful regional organisation in Scotland. Regional orgs. have also been set up in Yorkshire, the North-East, the Midlands. No such organisation exists in the North-West, or in East Anglia or the South West. For reasons of geography and the weaknesses of the branches, it is probably premature to try and build a regional organisation in East Anglia or the South West.

In London, the situation has hardly improved since last Conference. Efforts to build regional organisation in London are in their early stages. A much more concerted effort by local branches, plus the experience of a couple of leading members of the organisation are necessary for this vital but difficult task.

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The key to the consolidation of the Group's organisational advance is education. What is needed is a constant and conscious struggle within the organisation continually to raise the level of every member to that of the ablest. (This is of course an ideal which will never be totally achieved.) The problem of education is inseparable from that of building the party. If the Group is to continue to grow in size and influence, there must be a constant process of cadre formation. A cadre can be defined by the abilities i) to intervene in factory and union situations, or in united front bodies, where he will often be alone, and (ii) to participate in the political education of new recruits. Hitherto education in the Group has often been much too informal. Cdes. pick up the Group's theory as it becomes relevant to events or faction fights. Branch education programmes too often consist of haphazard sequences of speakers on "interesting" topics. Speakers are generally invited to speak to a title with no indication of the concrete problems occupying the branch. To some extent organisational remedies can help. Branches can divide into sub-groups for educational purposes, while weekend schools can carry on the burden of introducing new members to basic Marxism. The allocation of more human resources to the education sub/ctee will mean more notes and schools.

But beyond this a deeper understanding of revolutionary education is required. The Group still has a current of anti-theoretical activism, often paradoxically, at its strongest among students. We need to develop a culture in the Group which considers taking education seriously as important as systematic practical work. The role of the theoretical journal in creating such a culture is central; the appointment of a full-time editor to ensure the Journal's regular appearance is an important step forward.

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The Group now has the possibility within a very few years of having a few thousand members, a large proportion of whom will be industrial workers. In this advance the Group's traditional virtues of non-sectarianism and sobriety in its perspectives will play a major role; so too will the struggle against the associated vice of pragmatism.