

# Labour Review

---

Vol I. No. 5.

JAN./FEB. 1954

---

## *In This Issue*

### WHAT IS BEHIND THE PEACE TALKS?

*by G. Healy*



### THE CRISIS OF BRITISH CAPITALISM

*by W. Hunter*



### THE FALL OF BERIA

*by T. Mercer*

---

***Important announcement  
on page 7***

**9D**

# LABOUR REVIEW

Editor - - - - - W. HUNTER

---

## CONTENTS

---

*Page*

INTERNATIONAL NOTES	.....	.....	3
WHAT IS BEHIND THE PEACE TALKS?			10
THE CRISIS OF BRITISH CAPITALISM	.....		17
THE FALL OF BERIA	.....	.....	23

# INTERNATIONAL NOTES

---

## HIGHLIGHTS OF 1953

1953 was a year of important changes in world politics. A few of the highlights follow.

Throughout the year there was a marked increase in the clash between the colonial peoples and imperialism. The Tory Government adopted a more naked and open imperialist policy. We saw a continuation of the terror bombings; collective punishment and suppression by Templer in Malaya; the ruthless campaign against the rise of massed armed resistance of Africans in Kenya—the so-called Mau Mau. In British Guiana a leftist Government, newly elected under the new constitution, was deposed and the constitution suspended. Towards the end of the year there was the crude removal of the Kabaka of Buganda.

1953 opened with the inauguration of General Eisenhower as president of the United States. Shortly afterwards, at the beginning of March, came the sudden death of Joseph Stalin, followed by turns in Russian internal and also her foreign policy.

In June, came the uprising of the workers throughout Eastern Germany, set off by a strike of building operatives in the Stalin Alee in Berlin. The East German stalinist government was proved to have lost all popular base. Only with the aid of the fully mobilised Soviet occupation forces could it put down the uprising.

July saw the conclusion of the armistice in Korea. In August the general strike in France revealed a ruling class virtually prostrate. The year closed with France once again in a governmental crisis, the over-riding issue being foreign policy, particularly Indo-China. In Indo-China, Ho-chi-min's Vietminh forces cut the country in two, meantime indicating willingness for peace negotiations.

No wonder that opinion in France, in capitalist circles, is in fact today semi-defeatist. The prevailing mood is that the war should be brought to an end as quickly as possible, on the basis of any settlement which will permit the continuance of French imperialism activity in some form in Indo-China. In fact, even French Government spokesmen do not conceal the fact that it is U.S. pressure that is responsible for all recent attempts to "freshen up" the War in Indo-China. A Communist Deputy in the French

Both lines of French Imperialist policy have signally failed, as they themselves admit today. Military, the war has proved expensive and exhausting, as well as futile. French forces of incredible proportions are bogged down in the jungles, and what is causing anxiety today in French capitalist circles is that while in Europe France is short of military forces (especially in view of the threat of German re-armament) such a large army should remain entangled in the Far East. Prospects of victory over the rebels are dimmer than ever, while the cost of the war is a serious drain on available funds.

In Indo-China, ever since the World War ended in 1945, French Imperialism has struggled vainly to re-establish itself. This hope would have been patently forlorn already in 1945, if the Communists in the then French Government did not lend their support to the attempt. Thus encouraged, the French embarked seriously on the re-conquest of Indo-China, using two main methods: the bribing and conciliation of reactionary native vested interests, culminating in the creation of Puppet Regimes in Vietnam, Laos, Cambodia; and all-out war against the Vietnamese who refused to come to terms.

## INDO-CHINA

The big development in international relationships at the close of the year was the agreement between the Soviet Union, America, Britain and France to hold a four power conference. An article in this issue of "Labour Review" discusses the background to these international talks in the internal developments of America and the Soviet Union and their international relationships.

Assembly taunted the Government recently with "trading French blood for American dollars." This gibe hit the target.

The frustration is all the more profound because of the equal failure of the other line of French policy referred to, the creation of puppet regimes loyal to themselves. The grand plan was, firstly to create several separate puppet regimes (divide and rule); secondly to ensure that their rulers supported Indo-China remaining part of the French Union, or Empire; thirdly, to see that these native Governments threw their own man-power into the War, to enable the withdrawal of badly needed French troops to Europe. The U.S. gave its backing in full to this policy, sent Donald Heath as its boss-on-the spot to bribe all these regimes with the same kind of financial and military aid that Chiang Kai Shek and Syngman Rhee receive.

But the programme has stalled an every conceivable issue. First, the regimes were clearly unrepresentative, and unable to take over "responsibility" in the face of tremendous mass hostility to the War and to the French. Secondly, what has upset the French even more, the heads of these regimes (reflecting their own precarious position in their territories) are proving less co-operative than the French could wish!

Both in Vietnam and in Cambodia, the most reactionary politicians are forced to tell the French to get out, and to say that only the Indo-Chinese can settle their own future, and the question of the Vietminh. No self-respecting politician in the country can be made to say a good word for the idea of "French Union" which is the most that the French will offer and means much less than dominion status.

### **THE COLOMBO PLAN**

Whatever the prospects are of an early economic depression in the West, there is no doubt whatever that a serious economic crisis already grips every colonial country in the East within the orbit of Imperialism. This crisis, which is the result of a steep fall of agricultural prices, and prices of other raw materials in the world market, underscores the distorted and one-sided development that has marked all

Pakistan has been faced with severe economic difficulties—dwindling of foreign exchange, unfavourable balance of trade, soaring costs of living, and a slump in agricultural prices. But its rulers have seen their way out in turning to the United States for Aid. U.S. aid, as everyone knows, carries the condition that its larger proportion should be

### U.S. IMPERIALISM IN PAKISTAN

This Plan had two sides—one providing for "technical assistance" from the advanced to the backward countries. This part of the Plan proved at once to be the most farcical. Innumerable "experts" (the very word provokes a laugh in Asia today) paid flying visits (literally) to Asia, and wrote reports or gave advice containing ideas which were already commonplace. The other part of the Plan—envisaging financial assistance to the backward countries—has proved to be the most ridiculous part of all. For it is a case of Hamlet without the Prince. None of the Commonwealth countries co-operating in the Plan (Britain, Australia, etc.) have shown readiness or ability to produce the high finance involved in the development plans. And as for the U.S., not officially a party to the Colombo Plan, its Point Four Aid has such military and economic as well as political strings tied to it that not even the capitalist regimes of Asiatic countries can be persuaded to accept U.S. help on U.S. terms.

In the meantime, the much advertised "Colombo Plan" for the development of countries by "benevolent" Imperialism has shown itself to be a "Plan" of words only, utterly insignificant in relation to the economic problems facing these territories.

Despite its fanfare of publicity, the Colombo Plan turned out to be little more than "a plan to have a plan" (as one of its original proponents named it).

of the population.

these colonies of Imperialism. India, Pakistan, Malaya and Ceylon have all been faced with a seriously unfavourable balance of trade, and have been compelled to take all sorts of economy measures at the expense of the living standards

spent on *military* purposes, and the people of Pakistan have the comfortless prospect of seeing U.S. dollars go into aerodromes, airplanes, etc., instead of into their own economic projects. But apart from this, the entry of the United States into Pakistan is going to have far-reaching consequences for this part of Asia.

In response to sharp protests from India that the "balance of power" in this region was being altered, the Americans announced that no military bases were being established in Pakistan by them. Nevertheless, the rearmament of Pakistan brings closer the danger of War in Kashmir, which remains an unsolved Indo-Pakistan problem.

The American aim of ringing the U.S.S.R. with bases from which air and atomic attacks can be made (the airfields in Pakistan bring the hitherto invulnerable Urals industries within striking distance) is thus creating an entirely new power-relationship in this part of Asia, and if the American plans go much further, we are bound to see a reaction in the form of India seeking guarantees in other quarters from attack.

### INDIA'S CRISIS

India is running into the same sort of difficulties as her neighbours. Here again we have strange combinations of features—famine and a fall in agricultural prices going together, for instance. The Five Year Plan adopted by India is proving a difficult one to fulfil. Here again it is the lack of Capital—the fulfilment of the Plan depends on foreign aid—that undermines the Plan.

The chief feature of Indian politics today, is the lack of an opposition party to the Capitalist Congress which Nehru leads. The Indian Socialist Party, led by Jayaprakash Narain has made the most sorry capitulation to capitalist pressure, and merged within the Praja Party, a breakaway wing of the Congress. Those militants who refused to join this suicidal merger have continued to work in the name of the Socialist Party, but have not yet developed their forces on a national scale.

Just as Hitler tried to mobilise a general feeling of discontent against "the Jews," so McCarthy is trying to direct them against a convenient scapegoat prepared by both the Democrats and the Republicans—"the communists" and those associated with them.

In the foul atmosphere of the witch hunt, McCarthyism feeds on the widespread feelings of insecurity in America, particularly among the middle classes. Despite prosperity conditions accompanying the war preparations, there is a tremendous degree of emotional instability throughout the country as a result of the witch hunt itself, war propaganda, fear of atomic warfare, spy scares, the frustration that is the natural result of the witch hunt, the perennial international crisis, bitterness over the Korean war, rising living costs and high taxes. McCarthy is attempting to use these feelings for his own purposes.

It is clear that McCarthy is now bidding for the leadership of the Republican Party of the United States. His attacks on Truman and Eisenhower indicate he is preparing for an electoral victory on the issue of McCarthyism in 1954.

#### MACARTHYSM : AMERICAN FASCISM

In the circumstances, the Communist Party has been gaining support, reflected in its strong position in the Andhra, Malabar, and Bengal legislatures. But this Party gives no clear line of policy to India, chiefly because it aims at influencing Nehru's foreign policy more than at an all out struggle to emancipate the Indian masses. Their tone towards the Congress fluctuates with every twist and turn that Nehru makes in the United Nations. This alone disqualifies the Communist Party for the task of giving leadership to the revolt against the Congress Capitalist regime which is slowly but certainly maturing in India. Those Socialists who remained true to their ideas, and rejected the capitulation to the Praja Party therefore carry a heavy responsibility of starting to build another leadership.



The depression in America will speed up the growth of his movement. McCarthyism is the American form of fascism. Its victory would signal the crushing of the labour movement in America.

It is heartening that the McCarthy danger has been realised by sections of the American Labour Movement.

In December six thousand San Francisco members of the International Longshoremens' and Warehousemens' Union struck work in protest when one of the witch-hunting Congressional Committees visited that city and launched a red baiting attack on their union.

The Socialist Workers Party of America has called for a National Congress of Labour to consider the problem of fighting McCarthyism and to launch a campaign to put labour's own candidates in office in 1954 and a Workers' and Farmers' Government in power in Washington in 1956.

## ANNOUNCEMENT

This is "Labour Review" number 5. Our readers must have wondered at its somewhat belated appearance. This has been due to a number of reasons, chiefly financial.

The ever quickening tempo of international and national events has brought about an increased demand for a serious journal such as this. And so, we resume publication. More important, we are resuming publication regularly. From now on we will appear bi-monthly.

We will attempt to cover the main international and national developments. In this period we feel it absolutely necessary to cut through all the confusing theories that will arise out of the turmoil and our contributors will attempt to give a serious analysis, to help the left wing of the Labour Movement.

Future issues will deal with the colonies, the Soviet Union, the development of the American slump and international events. We will maintain a close analysis of economic, industrial and political developments in Britain.

*We appeal for your support. Take out a subscription now.*

# WHAT IS BEHIND THE PEACE TALKS?

by G. Healy

American capitalism has reached the crest of its power with the greatest accumulation of wealth and productive capacity in the world. It is this productive capacity which creates its most terrible problem. To find an outlet for its huge surplus of goods and capital it has no alternative but to drive for world domination and the opening of a market in Eastern Europe, China and the Soviet Union. That means war to suppress the colonial revolution in China and all over Asia and to reverse the wheel of history in Russia and Eastern Europe.

## THE AMERICAN WAR DRIVE MEETS DIFFICULTIES

However, in its drive to war American Big Business has run up against serious difficulties. The mass of the people in the United States, as elsewhere, is in no mood for all-out war. As the Korean war dragged on it became more and more unpopular among the American people.

America's European capitalist allies feared the extension of the war in Korea to the Chinese mainland and its eruption into a world war. For them that would have been the "wrong war in the wrong place and at the wrong time." They were afraid that with American strategy pivoted on the Far East, less support would be given to their shaky structures. They understood, very well, that at this time, the very first stage of the war in Europe could lead to their complete collapse. The attempt of Eisenhower and his Secretary of State, Foster Dulles, to speed up war preparations in the Far East soon after the inauguration of the new president came up against their resistance. In particular, the tightening of the blockade on China was a heavy blow to British economy.

In Europe itself, however, American imperialism found grave difficulties in carrying out its plans for strengthening

its base. German rearmament met with deep resistance from French capitalism. European war preparations were slowed down by economic difficulties and strong anti-war feelings among the masses.

All these combined factors exerted their pressure to bring about the cease fire in Korea last July.. But no sooner had the war tension eased up than American capitalism began to face trouble from another, not unrelated source. A marked decline in production set in, which towards the end of the year was close to a 5 per cent drop in the business index. And this beginning of the American slump cannot fail to have its effect on the American working class, in politicalising their movement and engendering a resistance that American capitalism must smash. It is thus faced with the necessity of attempting to secure its base at home as well as in Europe before launching an all-out attack on the third of the world which has been withdrawn from capitalist exploitation.

Undoubtedly, the American capitalist class is now in the process of reconsidering and re-evaluating foreign and domestic policy. It is more inclined than previously to listen to those capitalist spokesman, like Churchill, who favour, for the present, discussions on a 'deal' with the Soviet leaders. The outcome of such discussions can help them to decide, not only on a definitive foreign policy, but also on what policy to pursue on the home front.

#### **THE KREMLIN ALSO HAS PROBLEMS**

Their readiness to discuss is also based on considerations of developments in the Soviet Union.

The Soviet sphere of economy has its own contradictions sharpened by the pace of the armaments race and the difficulties of assimilating the economies of Eastern Europe. There is a crisis of agricultural production. Khrushchev, in his speech in the autumn of last year put it that: "A definite disproportion has set in between the rate of growth of our large scale socialist industry, the urban population and the material well being of the working masses, on the one hand, and the present level of agricultural production on the other."

The aims of the capitalist politicians, of Eisenhower, of Churchill, and their kind, are not to be gleaned from the lofty words they utter in public in the name of peace and freedom. These masters in the art of war have not sheathed their swords, and certainly do not intend to. For capitalism today, motivated as ever by production for profit; the "free world" of the capitalist market has shrunk to the point where it threatens the huge expanded industrial plant with outright attrition. Whether Churchill and Eisenhower pursue a policy of "cold war" or of "cold truce", their

We can have no doubt about the answer to that question if we are absolutely clear about the nature of American Big Business and European capitalism which is propped up by it.

We have given the background to the peace moves in the cold war. Are we then heading for an era of friendly competition between the "two systems"—between capitalism and the Soviet Union? Indeed—in view of Eisenhower's offer at the United Nations for a world pool of atomic energy, and Malenkov's agreement to discuss it—are we even heading for a period of friendly *co-operation* between them?

## WILL CAPITALISM AND THE SOVIET UNION NOW LIVE IN PEACE ?

Finally, the Beria purge shows a crisis within the confines of the ruling group. The top strata must attempt to stabilize its position.

The East German uprising in June showed that the working class in its own sphere. The Soviet workers have grown considerably in numbers, culture and skill and annual exertions and sacrifices. The bureaucratic structure of the State and unions must appear ever more monstrous and intolerable in their eyes in view of the growth of the economy and the fact that the isolation of the Soviet Union has been modified by the developments in Eastern Europe and China since the war.

objective remains. They aim to open the vast markets of China, of the whole Far East, of Eastern Europe and even of Russia to capitalist exploitation.

For this basic reason socialists cannot give the slightest shred of credence to the benevolence of Eisenhower and his plan for atomic energy. Nor can socialists, for the same reason, have any illusions in Churchillian secret diplomacy "to reduce world tension." They merely aim to exploit the deep desire for peace with the objective of jockeying the Western Powers into a better position to pursue their war against the East. There can be no settled era of "peaceful co-existence of capitalism and socialism" to use the formula of stalinism.

### **CAN THE SECRET DIPLOMACY OF THE SOVIET LEADERS ENSURE OUR FUTURE ?**

There is an argument heard in the ranks of the working class movement. It is: the Soviet sphere does not want war, on the contrary, it needs peace for further development. If the Western Powers can but be brought to sit down with the Soviet leaders, we can therefore depend on them (because their economies are non-capitalist) to represent the interests of the masses of the world at top-level talks. This is more or less the line put forward by Communist Parties and their supporters, not only in Britain, but everywhere. It is the argument behind their slogans for a Five Power Conference.

Now there is no doubt that the economic foundations laid by the Russian Revolution in 1917 are entirely different to those of the capitalist world. Nationalisation of the means of production brought about a tremendous upswing of Soviet economy, which has proved its vast superiority over private ownership. Russia has, in the space of three decades, risen from a backward, semi-feudal, mainly agricultural country, to a major industrial power.

A drop in armaments production means a slump for the United States under "private enterprise." The Soviet Union faces no such danger. It can truly be said, regardless of what the intentions or ambitions of individual leaders may be, that the Soviet economy, unlike capitalism is not

driven by economic necessity to the conquest of markets, and war. Rather does it need peaceful development.

Does this justify trust in the Kremlin leaders and their secret diplomacy? Not in the least!

Secret diplomacy is alien to Socialism and Socialist politics, which depend for success on the *informed* support of the mass of the people. The idea that it becomes a socialist instrument when engaged in by the Kremlin does not stand the test of history. The Stalin-Hitler pact served merely as the signal for the launching of World War Two and did not save the Soviet Union itself from eventual invasion, devastation and blood-letting. Teheran and Yalta, hailed with such enthusiasm by Communist Party members, carved up the Balkans and Eastern Europe, sacrificed Greece and meant to sacrifice Yugoslavia to the Western sphere of influence. All that did not prevent the Cold War and the drive to World War Three.

It would be foolish to think that the Kremlin can no longer make deals with imperialism detrimental to Socialism and the working people. Stalinism substituted for internationalism a policy of utilising the movements under its control as bargaining counters in its relations with capitalist powers. It used them to exert pressures on capitalism on the one hand, or offered concession on the other. A study of relations between the Soviet leaders and the Yugoslav C.P. during and just after the war is instructive in this respect. The reader who studies the history of how the split developed between the Yugoslav C.P. and the Kremlin will find how the Soviet bureaucrats attempted to limit the Yugoslav movement within the confines of its agreement with the Western Powers that a capitalist sphere of influence should be maintained in Yugoslavia.

The history of the Communist international shows how it was transformed into an instrument of Stalin's foreign policy. The Communist Parties under its control followed every twist and turn of its manoeuvres and the workers movement led by them were often entirely sacrificed in the process.

## STALINIST FOREIGN POLICY HAS NOT CHANGED

In the post-war period the basis of stalinist foreign policy remained the same. For fear of provoking retaliation from imperialism and becoming directly involved in war; for fear that revolutionary movements might pass beyond its control, the leaders of the Soviet Union have shown themselves always ready to hamstring these movements or permit them to bleed to death. Moscow, for instance, gave the North Koreans supplies enough to drag out the war, but not enough to win, even when their armies were sweeping the invaders toward the sea.

When Zahedi was making ready to seize the power in Iran, the leadership of the Stalinist Tudeh Party instructed its ranks to lie low, with the result that a landlords' government, pro-Shah, pro-American, was instituted, proceeded to arrest and deport workers and suppress their organisations. In August, the General Strike in France brought to a head the crisis of the French capitalist regime, showed the complete bankruptcy of French capitalism, and posed the question of replacing its government with a workers and peasants government. In this situation, the C.G.T. the French Communist Unions confined the strike movement to purely economic demands and failed to mobilise the working class to bring the government down. No serious student of French events last August, can draw any other conclusion but that the stalinists in France, although backed by the overwhelming majority of workers and poor farmers, were not prepared to undertake a struggle for the overthrow of French capitalism. Their policy was limited by Kremlin diplomacy, attempting to neutralise French capitalism.

Under Malenkov, as under Stalin, the Kremlin exerts its utmost influence to preserve the prevailing status quo as a lesser evil. It aims to uphold this by acting simultaneously on two fronts: against further aggression by imperialism on the one side and against any disruption of the prevailing equilibrium by eruptions and expansion of revolutionary movements on the other.

Today the leaders of the Soviet Union, as "practical"

This, a drive to a Socialist world, is the only way to guarantee real peace and remove the Atomic threat to civilisation.

A Labour Britain could pledge whole-hearted support and planned co-operation with the freed former colonial countries and with the anti-capitalist countries of the world. Thereby it could give an impetus to the masses of Russia and Eastern Europe as well as China aspiring to achieve democratic rule in their countries.

The movement here must relentlessly pursue the objective of driving the Tories from power. We must replace them with a Labour Government which will make a *drastic* attack on the sources of capitalist power in this country and which will pursue an international socialist policy. That means breaking loose from the alliance with reactionary American capitalism. It means a ringing appeal to the American working class for support—something never done before. We can hope more than ever for favourable results as the American working class itself will most certainly go through momentous developments with the crisis in America and the rise of McCarthyism.

The Labour left must pursue its own independent policy. The problem of peace will not be solved by such a deal. The economic difficulties of capitalism press it inevitably to war as a solution. Our contribution to the cause of peace is now, as before, the winning of the Labour Movement to a consistent Socialist policy at home and abroad.

### THE LABOUR MOVEMENT MUST HAVE AN INDEPENDENT POLICY

power politicians are saying in effect to the capitalist powers : you have your troubles, we have ours, from forces beyond our control. Let us try together to 'stabilise' the situation. Hence the Four Power Conference. There is bound to be some hard bargaining, but there is a basis for agreement in the objective needs of both sides.



# THE CRISIS OF BRITISH CAPITALISM

by *W. Hunter*

From 1950 to 1952 the volume of world exports rose 7 per cent but the volume of British exports fell 5 per cent. Britain's share in the exports of manufactured goods by the ten main exporting countries fell from 26 per cent to 22 per cent. The drop has continued this year.

The "Financial Times" of the 24th of November 1953 bluntly accused the Government of failure in its export policy. "The favourable balance of the U.K. balance of payments so far this year owes a great deal to sheer luck," it declared "... the latest Treasury Bulletin of Industry points out that the same volume of exports as was actually achieved in 1951 would today buy 25 per cent more imports. It is chiefly this fortuitous movement in world markets that has made it possible for Britain to relax her import restrictions and to increase the range of consumer choice at home."

The struggle for markets is becoming sharper, and Britain is losing out in its battle with its major competitors. The changes in the volume of exports of the three principle capitalist powers—Britain, Germany and the U.S.A. make this plain. If we take the volume of exports in 1950 as 100, then in June 1953 British exports were 96, the German figure, however, was 179 and the American, 144.

A bitter price war is waging, and Britain is getting the worst of it. Last November the Chancellor of the Exchequer, Mr. Butler, speaking to the "National Production Advisory Council on Industry," declared: "In many important non-sterling areas we seem to have lost ground to competitors pretty steadily over the last two years...". Heathcote Amery, from the Board of Trade, added to this—"... he regretted the loss of the Indian Locomotive Contracts... there was quite a substantial difference in the

In its policy the Tory Government has been appealing to its traditional supporters—the capitalist class and the higher ranks of the middle class, who benefit by rationing by the purse. They are quite prepared to pay extra in order to receive a greater quantity and variety of consumer goods, particularly food. For them, a higher standard of living is worth the extra cost, they can afford to pay.

Similarly with the housing policy of the Government, the building of thousands of houses for sale. Here again the same classes benefit. Those with the money do not require to take their place in the housing queue.

The landlords are bribed with a rent increase and the

### CAPITALISM PREPARES AN ATTACK

Whatever successes this Government has had in maintaining British capitalist production have been the results of the drop in prices of raw materials and food, which are imported, in relation to the prices of manufactured goods which Britain exports. Taking advantage of this movement of world prices—which the "Financial Times" calls a "fortuitous movement"—they have, since 1951, pursued a policy of derationing and decontrol of prices at home. They have virtually wiped out food subsidies. The result has been that while wholesale food prices have fallen, retail food prices have risen.

Retail food prices have risen by 11 per cent since January, 1952, while in the same period, wholesale food prices dropped by just over 18 per cent. In other words, had the subsidies been retained at the level existing when the Tories came to power, retail prices as well as wholesale would have fallen.

Germany, the U.S.A. and Japan are expanding their trade in the world market while Britain's share is shrinking. She is being undercut, even in her own Commonwealth markets. Now, there is the threat of an American depression which will push America into fiercer competition with Britain, and increase the difficulties of British exports in American markets.

German prices." The locomotive contracts were lost to Germany.

promise of decontrol of rents in the near future. The Tory Government is serving its class and solidifying its base in preparation for conflict with the workers movement.

Capitalist Britain, in short, is moving into a crisis. That crisis can only be met by the most drastic methods. That must now be seen as the background to all political and industrial developments.

Costs are too high for British capitalist economy. The situation is in many ways analagous to 1931. British capitalism must cut labour costs. Real wages are already being undermined by the rise in food prices. But more will be demanded; money wages and working class standards built up during the war and post-war period must be directly attacked.

Despite the illusions expressed from the platform at the Margate Conference of the Labour Party on the possibility of an immediate election, the Tories since have demonstrated unquestionably, that they are determined to hold on to the Government to help British capitalism to meet this situation.

The big problem for the capitalist class is how to pass over to the attack on Labour's standards in face of a trade union and labour movement embracing a greater number of workers than ever before, which has not experienced any big defeats for many years; and in which there is a growing militancy despite the opposition of sections of the leadership to direct action, and despite their attempts to compromise with the Tories. At the present time they are conducting a defensive struggle against the wages movement, manoeuvring for the best possible ground for a battle to stem the tide, and strike a blow at the trade union movement.

The Government retreated in the face of a serious challenge from the railwaymen. It knows it cannot defeat a united working class movement and it feared that the railwaymen would be backed by the engineers, the miners, the building trade workers all of whom have wage demands and all of whom know that the railwaymens' case is more

It is not simply a question, however, as the "Daily Herald" would have us believe, of putting subsidies, controls or free health services back. Labour's task is not just to defend the "Welfare State" against Tory attacks. Labour must dig out the roots of the crisis by taking over the "Welfare State" can no longer be planned. For foundation of capitalism. It was a product of working class pressure in the post-war boom. In fact, towards the end of the Labour Government itself, the "Welfare State" was already suffering blows under the rearmament drive. The "Daily Herald," speaking for the right wing of the

The "Daily Herald" declares (December 29th, 1953): "While the cost of living was stable or falling abroad, Mr. Butler, by decontrol and cuts in subsidies, was forcing up prices and wages in this country. As a result, Britain has lost heavily on the export market to Germany, Japan and U.S. and other countries. A "sign of repentance" by Mr. Butler, "might reduce labour unrest. Nothing less than a change in Government policy will avert even greater dangers."

Labour must realise the seriousness of the situation. The "Daily Herald" has found room for a little sympathy with trade unionists who are pressing for higher wages. However, the reason it presents for the threatening clashes in industry is simply that the Tory Government has been cutting subsidies and decontrolling prices. These are symptoms of the disease—the crisis of British capitalism. Unless the disease itself is recognised then it can appear that Labour's task is simply to regain power in order to patch up the fabric of the Welfare State where the Tories have torn it.

#### PATCHING THE WELFARE STATE IS NO SOLUTION

But even though there is a growing determination among the basic sections of the workers the economic difficulties of British capitalism force it to resist and prepare for an offensive against labour. All the ingredients for industrial and political explosions are here.

Labour Party and Trade Unions, sees the threatening economic crisis from the same angle as the Tories. It has nothing to do with how we produce, but only with how much, and how cheaply, we produce. If wages and prices were frozen then Britain would not have "lost heavily on the world market." That is the practical conclusion from the "Daily Herald" analysis. It talks of a change in Government *policy* and not a change of Government. But the Tories and the employers can do no other but attempt to unload the crisis on the workers' back. It is not a question of more or less controls, but how to take industry out of capitalist hands.

In fact the Tory Government itself may be forced to introduce some controls to ensure that capital investment goes to the export industries and not to industries producing consumers goods for the home market. Every capitalist crisis of markets is accompanied by greater interventions of the state. And a Labour Government, if it failed to lead a movement to take over the basic industries and plan Britain, would be forced, in order to maintain capitalism, to carry on a policy of concessions to the industrialists, to 'stimulate' production while cutting the workers' standards.

### THE LESSONS OF THE CRISIS

The big task for the Labour Movement shaping up for 1954 is to get a Labour Government which will take radical measures against capitalism. The first question arising from that is : how to get the Tories out ? It is more than ever evident that they are determined to hang on to power. No smart manœuvres in Parliament or filibustering is going to remove them. The fight to get them out must consist of more than Parliamentary debates. That much is clear.

The economic situation of Britain precisely means that the main struggle against the Tories is going to shift from Parliamentary speeches to the factories, the mines and the workshops. The left of the Labour Party can gain heart from the fact that many thousands of trade unionists will now be forced sharply to draw political lessons in action. Their wages struggle has deep political implications. When

That mass action is already developing around the demands for wage increases. It will generate opportunities for the left wing in the Labour Party to sweep the board in the Party and provide the bold leadership necessary. Then we can end Tory rule, proceed with Socialist measures here and abroad which will eliminate capitalist competition and substitute planned production and planned international trade.

Big movements of the workers will sweep away the cobwebs of 'new thinking' in the Labour Party. They will show that all the classical problems of capitalist production and the class struggle remain and that the question of power has to be solved before the question of production. A bold lead is needed from the Labour Party. One not afraid to draw out the serious lessons from this crisis of capitalism and not afraid to mobilise the working people against it. It is clear now that the Tory Government, ruling in the interests of the capitalist minority, will only be shaken down by mass action and demonstration.

What is of further importance is that those right wing trade union leaders who have been the bulwark against the left wing in the Labour Party and for a hidden coalition with the Tories are in conflict also with the growth of militancy in industry. The Margate Conference of the Labour Party showed that, since Morecambe there had developed almost a stalemate between the left and the right wings in the party. These industrial developments will give new impetus to the Labour left. Relations in the unions will become fluid, there will inevitably be a growth of influence of militants even in the organisations which have been the bulwark of the right wing.

The Government must intervene in every serious battle. By its wages policy the Tory Government serves the class it represents. Right at the beginning this raises for the worker involved in struggle the question of securing a government which will represent the interests of his class.

masses of workers are in movement in industry, inevitably there is a more varied and intense life and political ferment in the workers organisations. Today more than ever the wages movement leads straight to problems of politics.

# THE FALL OF BERIA

*By T. Mercer*

In December, Lavrentia Beria, former head of the Soviet secret police, was condemned to death by a secret court and promptly shot.

Just after the death of Stalin, Beira was being eulogised as the 'best son of Russia'. A few months later he and his associates were described as "reptiles in human masks," "an ampule of evil microbes" and as "pygmy Napoleons" at the public meetings called all over the Soviet Union to discuss his arrest.

Beria was at the peak of the Kremlin dictatorship. He appeared to occupy second place in the triumvirate—Malenkov, Beria and Molotov—which succeeded Stalin at the head of the Soviet State. His elimination is no small matter. His arrest last July was immediately followed by purges and arrests among leading officials in Georgia, Ukraine, Azerbaijan and Byelorussia. A few months later the arrest of V. N. Merkulov, lately Minister of State Control and former Minister of State Security, indicated that the purge was still continuing.

This latest wave of purges, itself followed widespread purges in the Soviet Republics after Stalin's death. It appears Beria was then attempting to gain control of the State apparatus. The Soviet State Prosecutor in his indictment made the accusation that he "committed terroristic murders for the purpose of wiping out honest cadres devoted to the cause of the Communist Party and of the Soviet regime."

Six months after his dismissal as Vice Premier of the Soviet Council of Ministers and as Minister of Internal Affairs; six months after his arrest, it was announced that Beria and six others had confessed to crimes testifying to their "profound moral degeneration." All the familiar marks of a Stalinist purge technique were present in the announcement.

Bureaucratic rule in the Soviet Union has failed to solve the national problem. There exists sharp antagonisms between the national aspirations of the inhabitants of the Soviet Republics and the bureaucratic centralisation of the Kremlin. Beria takes the blame. He is said to have confessed to carrying out criminal measures to resuscitate the remnants of bourgeois nationalist elements in the Soviet Republics, to sow hatred and discord between the peoples

He and his accomplices became the scapegoats for the difficulties and antagonisms of Soviet society. Beria was accused of organising an anti-Soviet plot to seize power and "liquidate the Soviet worker-peasant regime with a view to restoring capitalism and securing the revival of the domination of the bourgeoisie."

#### BERIA WAS USED AS A SCAPEGOAT

His liquidation made use of the procedure in accordance with an edict of December, 1934. This edict was issued by Stalin in the crisis atmosphere following the assassination of Kirov. Under it the case "must be heard without the participation of the parties" and appeal against the sentence and petitions for pardon are not permitted.

Added to that he is alleged to have confessed to the usual Stalinist amalgam of crimes. Beria was not bought to public trial there to make his confession. He was liquidated the "administrative way." That can only mean that in fact he made no confession and the prosecution could not ensure he would be his own abject public executioner. Beria, therefore, was finally indicted in December as having been an agent of British Intelligence since 1919.

When Lavrentia Beria was dismissed it was stated that he "had developed" into a bourgeois renegade and "become an agent of imperialism." Pravda declared he had "lost the face of a Communist." But as in all the Stalinist purges the accused must be shown to be a traitor and an imperialist agent from the beginning. The regime cannot permit the suggestion that anything other but a reptile and an agent can develop opposition to it.



of the U.S.S.R. and, above all, to undermine the friendship of the Soviet people with the Great Russian people.”

There are grave difficulties in Soviet agriculture. At the Central Committee meeting of the C.P.S.U., last September Khrushchev declared while industrial production had risen by 130 per cent between 1940-52, agricultural production had increased by only 10 per cent. He attributed this primarily to the failure to realise the importance of the collective farmer's personal plot of land. He denounced those who had adopted a strongly negative attitude towards the farmers' personal production.

Whether Beria was among those denounced, or whether the Kremlin is finding a necessary excuse for not fulfilling its promises of rapidly increasing food production, is not clear. The indictment of the former head of the secret police, however, contains the following significant charges: “To subvert the collective-farm system, and to create food difficulties in our country, Beria, by all manner of means sabotaged and interfered with the enforcement of most important measures of the party and Government directed towards an upsurge of the economy of the collective and state farms, and toward a steady improvement of the well-being of the Soviet people.”

Like the accused in the Moscow trials before the war, like Rajk, Kostov and Slansky before the death of Stalin, now, after the death of Stalin, Beria and other former Soviet leaders are liquidated with a fantastic indictment that no-one but the most innocent members of the Communist Party will believe. The old familiar Stalinist pattern of purges and confessions which emerges makes it clear that the bureaucratic caste ruling the Soviet Union has no new methods of solving the problem of maintaining its power and privileges.

### **A BLOW TO THE LIBERALISATION THEORIES**

Beria's liquidation and the methods by which it was accomplished deal a shattering blow to the theories that the Soviet bureaucracy is being forced to don a 'new look.' Since the death of Stalin there has been much speculation on the theme of the "liberalisation" of the regime. Im-

mediately after the death of Stalin an amnesty for prisoners was announced, a revision of the penal code was promised within thirty days, and Soviet doctors who had been imprisoned and who had already confessed to having poisoned Soviet leaders were released.

All these events were quoted as being the beginning of a process in which the successors of Stalin were being forced to suppress the worst and most hideous aspects of Stalinism and diminish the terror over the Russian masses. The release of the doctors was interpreted as an irrefragable blow to the system of frame-up trials and purges. The official statement on their release declared that the methods adopted by the police and the judiciary in securing their confessions were "fraudulent", "criminal", and "inadmissible."

However, criticism of police excesses were not unknown under Stalin and indeed the G.P.U. was purged several times during his regime. The methods by which Beria has been liquidated make it plain that as under Stalin, so under Malenkov—frame-up trials and purges are not 'inadmissible' in *general*. In the struggle to assume the mantle of Stalin, the purger in chief, his successors can only use the methods of Stalin. That means the building up of personal support in the apparatus by purge and arrest. The victorious bureaucrats are not opposed in general to this system of terror but only to the system as used by their rivals.

Arguing from a superficial attempt to generalise on isolated facts the conclusion could be drawn that the arrest of Beria—the head of the secret police—was itself a blow at the police regime. But Beria is not the first police chief in the Soviet Union to be arrested and executed. In 1938 Yagoda—who had worked in the Cheka and the G.P.U. for sixteen years, later as its head—was liquidated after he publicly confessed to poisoning Soviet leaders.

Isaac Deutscher, the most prominent representative of the theory of the possibility of a 'liberalisation' from above in the Soviet Union, to be sure, has conjectured that Beria himself was on the liberal wing of the Soviet leaders.

That is entering into the realm of speculation. In the struggle among the tops of the bureaucracy after the death of Stalin the supreme arbiter—a struggle which is not yet resolved—it is always possible that one or the other of the contestants can make a limited appeal to the masses by appearing to be against the worst excesses of the regime, particularly as the death of Stalin unquestionably released a flood of hope among the people that they would get a new deal. Beria *may* have been attempting to make such an appeal and himself be responsible for the release of the doctors. What is sure, however, is that had he gained the ascendancy, he, no more than Malenkov could permit an ever unfolding process of liberal reforms.

#### **THE SOVIET WORKERS WILL DECIDE**

The Soviet Union will not be cleansed from bureaucracy and its terror by evolutionary changes in the bureaucracy itself. Concessions from above are limited by one major factor. That all sections of the ruling group fear, like the plague, the development of an independent organisation of the workers. When the amnesty for prisoners was declared it specifically excluded those who had been imprisoned for 'counter revolutionary' crimes. The formula covers all those imprisoned for opposing the stalinist dictatorship including those who are anti-capitalist and defend the progressive economic base of the Soviet Union—the nationalised property. The leaders feared the release of any figures around which the oppositional currents among the Soviet workers could rally, and signified by excluding political prisoners that they intended to continue the political oppression.

However, events in Eastern Germany last June showed how the forces for the regeneration of the Soviet Union can organise and develop despite the political dictatorship of Stalinism. That movement developed among the workers against the bureaucracy and in severe conflict with it. The Russian working masses, inspired and helped by the socialist struggle in other countries, are the only guarantee of a regeneration of the Soviet Union. They will flush away from top to bottom the bureaucratic dictatorship and enable the nationalised economy of the Soviet Union to make real advances to Socialism.

I enclose P.O. for £     /     /

for ..... issues, commencing with  
the ..... number.

Name .....

Address .....

**NEW PARK PUBLICATIONS LTD.**  
**266, LAVENDER HILL,**  
**LONDON, S.W.11**

Subscription rates :  
 4 issues - - - 3/6 post free  
 Post this coupon to-day to :

*If you like this issue  
 Then Subscribe for the rest*

We have a plan to assist Labour students with limited resources :  
Send S.A.E. for full particulars, list of books in stock and prices to :  
NEW PARK PUBLICATIONS LIMITED,  
266, Lavender Hill, S.W.11

**ARE YOU INTERESTED IN BUILDING UP YOUR LIBRARY ?**

---

**THE MOST OUTSPOKEN INDICTMENT OF THE AMERICAN WITCH-HUNT YET PUBLISHED**  
180 pages 4/6d. (Postage 6d. extra)

**THE CASE OF THE  
LEGLESS VETERAN**  
By JAMES KUTCHER

*also*

---

**THE FIRST FIVE YEARS OF THE COMMUNIST INTERNATIONAL**  
VOLUME 2 (364 pages)  
By LEON TROTSKY  
(First time published in the English Language)  
12/6d. (Postage 6d. extra)

**THE FIRST FIVE YEARS OF THE COMMUNIST INTERNATIONAL**

*the publication of*  
New Park Publications Limited announce