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Dear Tim and Nancy,

Looking again at your letter I see it is dated 5 October. I can't believe how quickly last term went. With any luck I can get a letter to you at least in the same year you sent yours to me! There is a lot to tell. Much of it, involving group turmoil, I shall leave to the end for that is where it belongs and I am confident that in a few months time all the participants will view them in more sober perspective. If I may be permitted by congratulating you on your move, the political motives for which appear to me to be most sound. Only I am still a little sorry to hear that your work limits your writing. Perhaps because of the peculiar circumstances of our almost total isolation from the main Trotskyist currents here I place rather a higher premium upon research and writing than I would if I were in your position.

The Christmas sloth and gluttony is burping to a close and I bought the Times today after a three day break in publication. There is as good a place to begin as any. The lead story today is about the OECDs report on the British economy and within the limits of bourgeois economic analysis it makes for me most amusing reading. You see I recall disagreeing most violently with a terrificly short sighted piece in IP by a British IMG member hardly a year ago, in which he dismissed the North Sea Oil discovery with a wave of his hand. True enough whoever it was went into all the figures but he was determined not to see any leeway in these figures for the British bourgeoisie. Personally in ~~the~~ <sup>my</sup> economic perspectives document on the world economy which our little group adopted I never went into a lot of detail about the North Sea Oil prospects but I never doubted for a moment that it would have an affect on the Balance of Payments situation and certainly strengtheb the pound. In fact I was preoccupied with the interrelations between the main OECD nations and the problem of surpluses and deficits that would emerge as a result of the upturn in production and trade at the end of 1975 and beginning of 1976. You see at the time I was having the greatest difficulty persuading a majority of our little group that there really was an upturn and that the 'crisis' was not at that stage a question of universal downturns in production but quite the opposite - that crisis would be deepened by the very upturn they were denying. I hope I do not sound smug when I say that this prognosis of mine was borne out just before Christmas with the US announcing record deficits and the Japanese record surpluses, and all this accompanied by a plummeting dollar which I venture to suggest Carter's latest strictures will do little to alleviate. (If you havent got this document and the supplement to it I did six months later in January 1977 I can let you have copies) My main line of argument was that differnt proportions of GNP devoted to capital investment consistently over a period of thirty years since the war had created a chronic unevenness in the development of capitalism which meant that payments imbalances must now be seen as afflicting certain countries permanently in the same dircetion (i.e. Japan and West Germany in surplus, others in permanent deficit etc.) Thus any upturn in production deepens and intensifies crisis tendencies, monetary instability and so forth, hastening recession.

If I had difficulty persuading my own group of this (some of whom saw this analysis, if you please, as the basis of 'opportunistic tendencies' on my part!) I certainly could not have convinced any of the other Trotskyist main stream currents. This group discussion on world economic perspectives was part of a broader one on general world perspectives central to which was the question of tempo of the class struggle. For some cdes to admit there was an upturn in world capitalism during late 75-77 was tantamount to denying the general crisis of capitalism. Sounds childish doesnt it? But then that is what were up against in Britain - infantile disorders.

And yet now the Times reports a healthy payments surplus for 77 and a surplus of £1,800 million for 1978, a projection which I do not think will be far out. Now not for a moment does this mean that any of the underlying structural weaknesses in the competitive position of British capitalism is resolved in the slightest.

But politically it is of very great significance in terms of British Marxism. It means the sectarians are even more wrong than we already knew them to be. Let me explain. The turning point for the present Labour government came around Spring - Summer 1975. It began to retreat from its own election programme, weakened the NEB legislation. It sacked Penn as Industry Minister at the behest of the CBI and stood out against party conference, the NEC, the majority of the PLP and a large minority of the Cabinet itself and supported a 'yes' vote in the Common market referendum. Then came the deal with the TUC for phase one of incomes policy. Now I believe the sectarians (all of them, whatever group) seriously underestimated the extent to which broad masses of workers (Not the best of them, not the most class conscious, the LP members, shop stewards etc, but nevertheless broad masses) supported EEC entry for opportunistic reasons, and supported phase one but of real fear of inflation. That can not be explained (as it was 'explained' by the sectarians to a man) purely by the slogan 'The "left" has betrayed. That is why the right wing won on EEC and wages'. In other words I believe that Social Democracy really does rest to a certain degree on the working class and that it is not purely and simply a bourgeois agency. It is that but if it did not also rest on the working class to some extent it would be useless as an instrument of bourgeois rule.

Now the interesting thing is this. The opinion poll ratings and the by election results show a swing back towards Labour. Despite cuts, despite wage freeze, despite  $1\frac{1}{2}$  million unemployed, despite a miserable retreat from its own programme the Social Democratic leaders are making a come back. It is no longer impossible for them to win an election. What is more. It is no longer impossible for the open right whose leadership candidate is Denis Healey to win the leadership election which must come within two years. In the Spring of 1975 such a prospect would have seemed impossible. It would even have seemed so at the time of the last leadership election. But Healey could now win. How could the sectarians explain this - a possible Labour victory and a revival by the right. Is not British capitalism 'finished'? Is not Social Democracy on which it rests, likewise, 'finished'? Well then what has happened? I do not think any of the Trotskyist currents have an answer to this. But what has happened is that, notwithstanding the historic long term decline of British capitalism vis a vis the US, Germany, France, Japan etc the discovery of North Sea Oil has alleviated some of the most pressing, immediate difficulties facing the British bourgeoisie. This is what is putting wind in Callaghan's sails, and incidentally intensifying the crisis of British Toryism (which receives little or no attention from the sectarians). The Social Democratic illusions of the broad mass of British workers has been temporarily strengthened. Many of them do think that if they behave themselves on the wages front for the next year or so things will come right. Hence the isolation of the fireman despite public sympathy. Hence also the failure to decisively win the Grunwick dispute. The mood of the class at the moment is acquiescent. Heresy of heresies! But it is true.

I witness at close quarters the effect of all this on the sectarian entrists of the Chartist group who are active in my own party. They lash out increasingly at the left at parliamentary and local level. The left is to blame. They don't fight hard enough. They are not Marxist. They are not really 'left' at all, but a cover for the right. This is what the Chartists are reduced to. They pay no attention to party membership statistics which show a decline. No attention to voting figures for left candidates for the NEC which also reveal a decline. No attention to the increasing vote of the right wing candidates for the NEC like David Owen. They are unable to explain the broad advance of right wing candidates office across the board in the trades union movement (with minor exceptions). Above all they are unable to relate this rightward (yes rightward) trend in the TU movement to the growth of white collar unionism which is part of an overall continuing growth in TU membership even whilst unemployment increases! That fact alone takes some explaining. It is unprecedented. They also do not relate this growth of white collar unionism to the internal imbalance of the British economy which has expanded the tertiary sector far beyond what the primary and secondary sectors can sustain. Yet North Sea Oil might even mean partial restoration of cuts. What a terrible world for sectarians!

what we are up against is the mystification of the class and the class struggle; a failure to begin from the material developments of bourgeois society, to relate the changes in the class struggle to the changes at the material level of the economy, nor even to acknowledge social democratic consciousness in the class as a material factor ~~that~~ in that situation.

Also in today's Times is an article by Bernard Levin, whom I would describe as a right wing bourgeois democrat but whom it is fashionable to label a fascist (What the hell there all the same anyway seems to be the attitude) The article concerns a certain Vladimir Klebhanov a Donbass miner who has formed a workers protest group in the USSR against the denial of workers rights. He did four years in a 'psychiatric' prison for refusing to order his men to work compulsory overtime and refusing to send them in to the mine while safety regulations were being infringed. What galls me is that it is left to such a man as Levin to write this article. I submitted a thousand word article to Tribune after getting the editor Dick Clements to agree to publication of an article on this question. But it won't be published for three weeks.

Weeks ago NEC member Alex Kitson made a disgraceful speech in the USSR ending with the cry 'Long Live the Soviet Trades Unions' Do you think Tribune took it up? Not at all. They invited the butcher Suslov and Stalinist hack Eugen Falber to monopolise their centre pages on the anniversary of the Revolution. The dissidents didn't get a line. They didn't even report Kitson's speech in Tribune.

However I was not idle. You know of my close friendship with Victor Zainberg. He and I took physicist Kronid Lubarsky to the Commons to meet Eric Heffer who had had a flaming row with Kitson and Mikardo that the press had reported fully. Heffer was so infuriated with the pro Kremlin views of a section of the Tribune left that he agreed to take Lubarsky into the regular Monday meeting of the parliamentary Tribune group. Lubarsky describes himself as a Social Democrat. He, by all accounts, made a great speech which shamed the Kremlin left. He said only when the Left in Europe and America took up the issue of dissidents and workers rights with the same enthusiasm as they embraced Chilean opposition to totalitarianism would they begin to win respect from the working class in Russia. The meeting was well reported in the Guardian. Later the same week a petition to release Orlov and others was signed by dozens of Tribunites. This marked a real breakthrough at the parliamentary level. But the trouble is so much more could be done if the Trotskyist movement realised the importance of work in the LP and particularly in the Tribune current. You know, Tim, they make the same mistake on Tribune as they do on the LP. Just as the LP is 'finished', 'bankrupt' etc so is the Tribune group...and who is burrowing away there...why the Stalinists. Their party is split. Jimmy Reid and Co have deserted to whom...the LP and to Tribune specifically within it. One cannot rule out the disintegration of the CP organisation in Britain and a serious entry by the CP (King St as opposed to the NewCP led by French). I feel the Trotskyist groups are not sensitive to the dangers of such an alignment. The CP with its publishing interests and its daily could present us with very serious obstacles in such an event and set us back to before 1956. This is the price we could pay for failure to appreciate entrism and sustained work in the left social democratic current.

In the IMG there are some not bad people producing a thing called Labour Focus on Eastern Europe. But here again we come up against the problem of how to campaign for the political revolution from outside the LP. I don't think it can be done in Britain outside the LP. At best it can be merely good propagandising and a briefing service but it cannot really develop the work. Anyway I'm going along to their next editorial board meeting at the invitation of a LP man who helps them edit it. (The journal itself is first class) Maybe we can have a discussion there about these matters.

What is new in the situation here is that for the first time in the post war period the Left is beginning to make the running now on dissidents and human rights in the USSR. And in the process the fellow travellers will be differentiated out of the left current at least on this issue. *It is Callaghan. Healey who represent the 'pro detente' group in the L.P.*

Well so to the group. Robin and I have dropped out. It all hinged around the conduct of the Spanish discussion in the OCRFI. We could not convince the group (which had dwindled to about 24) that the way that discussion was railroaded indicated that we had a bigger struggle on our hands than we had originally believed. It wasn't just a question of disagreeing. I think if you read the appended documents to my piece on the Boycott you can see that we had been kicking for some time about the way agendas had been drawn up. Well when it came to endorsing a line without a proper document and discussion on the Spanish situation I was very worried. Nor did we like the factional manoeuvring of the OCI's Spanish section with one of the USEC groups. Frankly we believe that set back the really important international discussion between USEC and the OCRFI and may even have contribute in some way to the regrettable decision within the USEC to wind up the interbational factions.

Robin had already dropped out and I resisted a blind activist tendency for as long as I could but they won in the end. When I seemed to be the only one against the boycott and against the conduct of the discussion by the OCI I decided the Bulletin Group was not the group we had intended to develop. I called for the suspension of the Constitution and to return to a discussion circle which might be broadened to include people outside the BG and which would concentrate on working groups to go into some fundamental problems of Trotskyism and slow down the rate of activity in the group.

I don't know what you might think of this but I really believed it best (I was the only person in the whole OCRFI who actually spoke out against the boycott and the disgraceful procedural way agreement to boycott was foisted on the OCRFI).

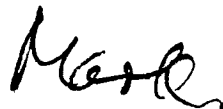
Im trying to finish my Nevan book.

Robin will get a book on the development of Bolshevism published in the summer. Hes going through Lenins works line by line, into the evolution of Bolshevism, into Lenins mistakes in the early period and into the relationship between Trotskyism and Bolshevism. I think it will cause a storm when it comes out. Frankly what Ive seen I like.

Robins address is 18 Mervyn Road London, W.13

All the best

fraternally



My wife was in Berkeley for a number of years and is a San Francisco fan. She tells me you have moved to the nicest part of the US (She also did a few years in a place called South Bend, Indiana, which didnt sound so nice)