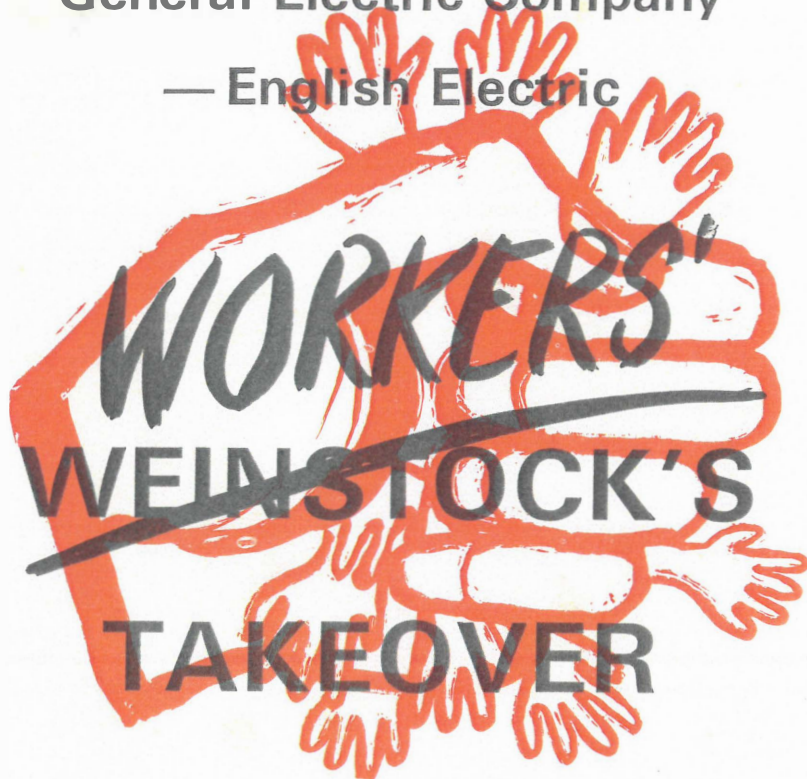


G E C — E E

General Electric Company

— English Electric



Institute for Workers' Control

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2nd Edition

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PREFACE TO SECOND EDITION

So the Liverpool factory occupations are not, for the present at any rate, going to take place. Of course, there is widespread disappointment about the news that broke on September 17/18th just before the proposed occupation was due to take place. The shop stewards of the GEC Action Committee, with their staunch allies on the District Committee and in the local offices of the unions concerned, have, in the courageous struggle, won deep admiration all over the country. From the terrific mail which has come to the offices of the Institute for Workers' Control, we can say without doubt that sympathy for the proposed action extended throughout the whole country, and into every major industry and trade union.

A body like the Institute, which exists to co-ordinate research and information services, cannot, of course, offer any sensible advice about how particular actions should be undertaken. That is a job for organisations, above all for trade unions, which are directly implicated. Indeed, in this case, we feel that this battle is a perfect example of the wisdom of Rosa Luxemburg's famous dictum, that "the mistakes of the working class are more valuable than the wisdom of the most perfect central committee." Of course, there were mistakes in the Merseyside struggle, and it is important that they should be carefully evaluated by both the workers concerned and their colleagues in other industries and enterprises: because the fight against redundancies is an inevitable outcome of the development of mergers and rationalisation, on a national and international scale. The main work of discussion and analysis will begin among the GEC stewards themselves, and very soon, because it is quite clear that they do not intend to take 3,000 dismissals lying down, and that the last word has not yet been spoken in the Weinstock empire. Mr. Bewley, the "loyalist" shop steward who nearly saved the day for the management, has proved to be a short lived asset, since he declared himself as a militant supporter of Mr. Powell. Both Mr. Weinstock himself, and the ministerial spokesmen who have been involved, have revealed in their different ways their apprehension about the takeovers. The ghost is not yet laid. It does seem clear, however, that the problem of communication between the action committee leaders and the rank-and-file workers turned on two basic needs: first the need

to satisfy the workers about the exact position which would obtain concerning wages, insurance cover, and redundancy payments during the period of the occupation; and second, the need to "break the ice" before the occupation itself by a series of actions which effectively challenged the management's authority inside the workplace. Delicate legal problems existed, of course; but there is no doubt, and there was no doubt in the Action Committee's minds, that the key problems of finance and protection would depend, directly, on outside solidarity. There can be no doubt at all that this would have been forthcoming. Money would have poured into the Merseyside: and the popular support aroused would not only have provided for the workers' immediate material needs but would also have ensured that the law did not take an unduly harsh view of the rights and wrongs of the case. But if this is true, the problem of how it could be explained to the workpeople remained an intractable one. The Action Committee was bound to play some of its cards close to its chest. What was needed was a succession of briefing discussions, in the shops, preferably in working time, during which the basic difficulties could be discussed. Also very much needed was some form of Action Committee broadsheet, appearing daily, and answering queries as well as publishing letters from workpeople. One issue of such a news sheet did in fact appear, but obviously it was not enough to carry the day.

The fact remains, that the "non-occupation" far from being a setback to the Workers' Control movement, or to the immediate struggle against redundancy, has been a major event. It has aroused and stimulated the imagination of workers all over the country. It has opened up a nation-wide discussion. And it is only a beginning, even on the Merseyside itself. If this great gain in understanding of the question of Workers' Control has come out of the first phase of the Merseyside struggle, it is vital that Phase 2 should swing into operation immediately. This requires action at every level of the Labour Movement, and by many agencies.

The shop stewards will surely pursue the whole question of establishing a standing democratic trade union machinery for the whole GEC Combine, and a bargaining policy directed at the Combine, particularly on manpower planning, industrial development and investment, plant utilisation, etc. to make such a policy effective. To advances in Workers' Control are essential. First, that the books of GEC be open to inspection by the workers and their unions; second, that the workers' side have permanent new powers to veto unilateral management decisions on redundancy. These powers

could be similar to those possessed by the dockers, in whose industry the employers literally do not have the power to hire and fire.

The trade unions should respond to the Merseyside lead by taking steps similar to those which followed the Fords strike earlier this year; namely to construct a bargaining machine which refers all negotiations back to the shop floor for final approval.

The militants in the Labour Party, and the union movement generally, should raise the demand for the immediate accountability of the GEC Combine (and indeed all large companies) to its workers, so that the whole issue of workers' rights in relation to mergers, rationalisation, and redundancy, is placed high on the agenda of the Labour Party Conference, and in all subsequent policy-making.

The I.W.C. and indeed all agencies within the Labour movement with a research or publicity function should pursue the enquiry, already begun, into (a) the Weinstock arguments for rationalisation, and the socialist, workers' - controlled alternatives, (b) the techniques of occupation, sit-ins, etc., and (c) the forms of permanent workers' authority which need to be established over and against employers' arbitrary powers of dismissal. The need for a thorough social cost-benefit analysis of the Merseyside redundancies, sponsored by the unions, is manifest.

A wealth of argument and evidence is accumulating in the files of IWC, submitted by sympathetic economists, which demonstrates the irrationality of the market economy, and its failure to provide for the real needs of the community, as exemplified in the single, dramatic case of GEC Merseyside, we close with an illustration of this material - in this case from a so-far unpublished memorandum from John Hughes of Ruskin College.

"If particular kinds of work/equipment can be phased out of these Merseyside plants, isn't the rational thing to do to "phase in" other equipment, production lines, etc., to make use of the kinds of engineering skills available in the labour force? It seems to me madness for GEC/EE to suggest that they cannot utilise a skilled labour force that is in fact much more valuable to the national economy if held together in this way. The government told us all at the end of last year that they had to stop the expansion of the economy because of a shortage of skilled workers. Why not ask the government spokesmen to identify the kind of skills that they say are in short supply, and the kind of products on which they are needed. (A few months ago it was a shortage of

small electric motors!) If they can't identify any, then we shall know what to think of their pretence of "manpower planning." But given the enormous range of products produced by GEC/EE, - there must be thousands, - it is plain daft to suggest that they cannot step up output of some of them by transfers of plant, etc., into their Merseyside plants."

Workers' Control has been shown by the Merseyside workers to have an immediate, practical, and urgent relevance to the problems facing the working class today. Workers' Control can now be seen to be about jobs, about irresponsible concentrations of private wealth and power, about accountability, and about the wide social and economic interests of a regional community, and the interests of the country as a whole.

We must not throw away the opportunity, created by the brave pioneers on Merseyside, to pursue these issues through the heart of the Labour Movement. Our plain duty is to equip ourselves to take forward the great wave of understanding and solidarity which has developed around the GEC issue, so that the environment in which the workers' next action takes place is overwhelmingly favourable.

Ken Coates and Tony Topham.

24th September, 1969.

FORWARD TO FIRST EDITION

The Institute for Workers' Control was invited to provide its services to the workpeople of GEC-EE in Liverpool in furtherance of their decision to combat a massive programme of redundancies by occupying and working their factories.

A programme of research by the Institute will include the publication of a full dossier on the background of the threatened closures, and documentation on the economic possibilities of the plant concerned. It is also planned to publish the fullest possible account of the occupation itself.

This pamphlet has been prepared in order to explain why the present action has become necessary. It is a collective work, which incorporates material submitted by Michael Barratt Brown, Ken Coates, Ken Fleet, Richard Fletcher, Brian Nicholson, Freddie Silberman, and Tony Topham, who edited the final version. The authors wish to acknowledge the valuable material which they obtained from the Labour Research Department, and the pamphlet on GEC published by International Socialism. Above all, they wish to thank all those workers at GEC-EE who have contributed information.

12th September 1969

Chapter 1. BACKGROUND TO THE OCCUPATION

The General Electric Company's plans to impose mass redundancy on Merseyside, and the workers' declared intention to respond by occupying their factories, have focussed attention on the gathering threat to the working class of this country, from all the forces which are causing rising unemployment and insecurity. These events have also raised the possibility of more determined action to resist this threat, than previously has been thought possible. The workers at G.E.C. have decided to experiment with new forms of resistance which point the way towards workers' control. The Institute for Workers' Control has determined to offer its services to these workers, by producing this pamphlet, by expressing and organising all possible support for the Merseyside workers and by arguing the case for a socialist alternative to the present policies of Government and employers.

Unemployment, which most people long assumed to have been reduced to a minor problem by the united consent of all political parties in this country, and by the development of a certain minimum competence on the part of Governments and financial institutions, is all too obviously now returning as a major question, and has been a serious present problem since 1967. What has caused this growth? Four major contributory factors must be understood.

i) Deliberate government economic policy. Ever since its election to office in 1964, the Labour Government has accepted completely orthodox methods for 'curing' the crisis in the Balance of Payments; the only difference from the practice of its Tory predecessor is that the 'Stop' phase of Wilson's 'Stop-Go' policy has become almost permanent. The credit squeeze, higher taxes on items of working class consumption, higher 'poll taxes' (employees' insurance contributions) high interest rates, have all been designed to cut back demand, which means that demand for labour has been deliberately curtailed. This policy was disguised by Harold Wilson in 1966 and 1967 under a cloak of fancy words - "redeployment," and "shake-out". Those words were received with scepticism when they were first uttered - no-one is deceived by them today.

ii) The running down of industries which are big employers of manual labour. The decline of the railways, and the mines, which has been energetically organised by the State Boards which run those industries, is expected to continue, and the redundancy so produced will therefore add to the growing unemployment problem throughout the next decade. To the

burdens of these long-suffering groups of workers should be added the threat of redundancy which now hangs over the heads of the steel workers - one-third of that industry's labour force of 300,000 will be made redundant by the mid-seventies. Furthermore, of course, employers of port labour would like to sack anything up to half the dockers in their industry, which at present employs some 56,000 registered men. The traditional textiles industries will presumably continue their long-term decline as employers of labour.

iii) The "rationalisation" drive. Mergers and take-overs are motivated by the endless search for maximum profitability, and have increased the insecurity of employees of all kinds and in all industries, in both the "growth" sector and in declining trades. The redundancies which have occurred so far, as a result of the G. E. C. - A. E. I. - E. E. mergers, or are threatened at present, amount to approximately 17,000. This enormous contribution to the unemployment problem has been produced by one firm, alone, in what is theoretically the growth sector of the economy.

iv) "Increased productivity". The government-encouraged drive for higher production-per-worker, through opportunity bargaining, and allied techniques, is cutting job opportunities, even when the bargain includes a 'no redundancy' promise. What happens after the process of 'natural wastage' is complete, is that the factory or firm concerned produces as much as before, or more, with a permanently smaller labour force. The local dole queue grows correspondingly longer.

The combined effect of all these pressures is an unemployment rate which, fluctuating between 500,000 and 600,000 during most of the past two years, is expected to rise to 750,000 at least, by the end of 1970. Certain areas, like Merseyside, will be hit even harder than the country as a whole. During the phase of full employment policies, which lasted for about twenty years after the 2nd world war, the unemployment rate was less than half that figure. Undoubtedly, the working class faces the prospect of a permanently larger army of jobless people, as part of the combined strategy (including proposed anti-strike laws, the incorporation of the trade unions, the curbing of the independent functioning of shop stewards, and so on) which Governments and employers have fashioned to weaken its bargaining power.

What attempts have been made to combat unemployment, and particularly the type known as "redundancy" in recent years?

The government, far from combating it, has of course encouraged the trend. It claims to have mitigated the effects of redundancy by its Redundancy Payments Act, and by expanding government provisions for re-training. Undoubtedly, a socialist government, acting in the widest interests of the working people, would provide both financial security and a universally available system of adult training and

education, for their own sakes. The purpose and effect of the government's measures however, have been dictated by the requirements of large scale, monopolistic private owners of industry. The payments under the Redundancy Payments Act provide only temporary relief of a few hundred pounds at most, from the long-term effects of unemployment, whilst training is narrowly destined to fit workers into the particular skills which may be required at this moment of time, without guaranteeing any permanent security. Both these measures in fact assist in raising the amount of labour available on the market; in other words they support the over-all strategy of reducing the workers' bargaining power.

Trade unions in Britain have not, officially, challenged the employers' right to hire and fire; this question has not normally been included in the matters which are subject to collective bargaining. They have remained content to demand prior consultation over redundancies, to determining to some extent the order of dismissals, ('last in, first out') and to negotiate severance or redundancy pay to supplement state grants. The recent spate of mergers and the resultant spectacular redundancies have compelled the unions to pay greater attention to the problem and in general terms, many are now prepared to support tougher policies towards mass redundancies. The T.U.C. has argued that where state subsidy is given to private companies, they should be subject to some degree of accountability for their policies. But there remains a tendency within the labour movement to accept the rationality of 'rationalisation,' and to intensify pressure for measures to ameliorate the worst effects.

Orthodox methods of protest, including strikes, over-time bans, "blacking" of work transferred from a factory doomed to closure, the lobbying of M.Ps, the mobilising of community and local government bodies, protest marches, etc., were fully tested in the case of the G.E.C. Woolwich factory, involving the redundancy of 5,000 workers. The lesson of this experience could not be more apparent: all these techniques of protest, deployed to their fullest imaginable extent, completely failed to effect any change of policy, and the factory closed. It should not be thought that "orthodox" methods such as those used at Woolwich lack fervour, enthusiasm, militancy of a high order. Thousands of workers poured on to the streets, and the whole community was roused. M.Ps called for guarantees of alternative work, and even right-wing newspapers demurred at the arbitrary nature of Weinstock's procedures. Official union support for "blacking" was forthcoming, Town clerks convened emergency Council meetings, and above all, the shop stewards worked tirelessly for unity, solidarity, and an effective resistance. All to no avail. It was not the will which was lacking, (except for some obvious exceptions

perhaps amongst right-wing union leaders) but the chosen instruments of action which were deficient.

No-one, in that case, considered the possibility or implications of occupation, that is a take-over of the workplace by employees which may or may not be combined with a cessation of work. This is not surprising: occupation methods have been exceedingly rarely used in Britain. The technique of occupation has of course been more frequently used abroad: the most celebrated recent example being the factories in France last year. The French also experienced mass occupations in 1936, and the Italians in 1920. In the U.S.A. in the thirties, the occupation was an effective means of struggle in Walter Reuther's recruitment and recognition drives. In Britain, there is the precedent of the militant students in the Universities last year. Although British workers are traditionally suspicious of students protests, partly because of the extent to which an elite system of education confers special privileges upon a few while depriving the many of even elementary educational rights, nevertheless the method of occupation has been witnessed and widely discussed. Soon the example of the G.E.C. workers' occupation will be much publicised also. Their example will almost certainly be taken up by other workers and the unions themselves will learn the flexible possibilities which this technique opens up.

The background to this first step of course, within the trade union movement, is the gathering realization that workers' control strategies provide real answers to the unions' impotence when faced with the overwhelming legal and political-economic powers of employees and state. The issue of redundancy, the 'sack', highlights the contrast between employer and union authority in the sharpest way. It points up such statements as that recently made by Jack Jones: "Those who invest their lives in industry have more right to a say in its running than those who merely invest their cash." Thus it is not surprising that whilst the GEC occupation threat is unofficial, some union officials are reported to be 'privately in favour.' (*Guardian*, 23rd August.) In view of the self-evident clash between the narrow private interests of profit-making managers (see Chapter 2) and the social interest of the whole Merseyside community, the impending conflict between GEC and the workers' occupation forces, is highly rational. The most important factor which has pushed this conflict towards occupation is the growing awareness that, faced with redundancy, the workers - both manual and non-manual, - are powerless when they confine their response to orthodox methods. And all the terrifying statistics of unemployment, the rate of merger-takeovers, the

accumulating power of the giant international companies, intensify that awareness. Occupation symbolises the workers' determination to reverse the balance of forces; it expresses their sense that rights and ownership are not synonymous. Their jobs, the only things they own, exist in the factory. Workers' control of employment must begin with workers' control of the factory. Beyond that first step lies the whole road to a human, socialist society.

Occupation of the factories will not be an act of despair, but the beginnings of the march to bring our industries and our society under social ownership and popular, democratic control.

The bare facts of the Merseyside situation are quickly summarised. The factories which have joined in the formation of the Action Committee, and which will be involved in the occupation, are the Netherton G.E.C. plant, the East Lancs Road factory of English Electric, and the adjoining plant of Napiers. Netherton employs about 2,000 workers, mainly organised in the A.E.F., with the Boilerworkers and T. and G. each having 200 members, and D.A.T.A., and produces steam turbine equipment, water turbines, power station valves, hydraulic gear for mines and dockgates, and a constant speed drive for aircraft. It is due for complete closure with the exception of the aircraft section. Napiers makes diesel engines and a turbo-blower - a booster for diesel engines. Its engines are used in locomotives and naval craft. It employs 1,200 workers, mainly in the A.E.F., and is due for closure. The English Electric factory makes switch gear and fuse gear, and domestic appliances such as fridges and washing machines. It employs some 8,000 workers, organized in the E.T.U., the National Society of Metal Mechanics, the A.E.F., and the clerks and draughtsmen are organised in their appropriate unions, as is the case on the other sites. There is a substantial female proportion in the work-force at the E.E. site. 300 redundancies are threatened here.

The workers' response to the redundancy announcements, in early August, was to hold a one-day strike, to ban overtime, and to elect an Action Committee composed of stewards from the three factories. The Action Committee has recently circulated the following statement and appeal; it is addressed to Trade Union branches, Trades Councils, Shop Stewards' Committees, 'throughout the country and in all industries.'

THE WORKERS' ACTION COMMITTEE APPEAL.

August, 1969.

Dear Sir and Brother,

Recently, the GEC-EE management, and its managing director Arnold Weinstock, announced massive redundancies in the factories producing power engineering products. This will produce 4,300 redundancies in the North-West region, in addition to cuts of 3,500 jobs announced in February this year in the Group's works at Rugby and Witton. Altogether, the sackings affect 1 in 5 of the Group's Power Engineering workers. The redundancies were announced with no consultation of the work-people concerned. Weinstock's excuse is that the Electricity Board has reduced its orders for our products, that exports have failed to rise to fill the gap, and that there is "excess capacity" in the industry. The redundancies will take effect in an area which already has "Development Area" status, which in plain language means that it is an area of high unemployment. (At present unemployment on Merseyside fluctuates between 3.9 and 4.1 per cent, much higher than the national average.)

The reaction of the workers in the three factories mainly affected by the announcement was swift and determined. We have banned overtime, and held a one-day stoppage in protest at the redundancies. On the one-day strike, we held a mass demonstration and rally in the Liverpool Stadium, and passed the following resolution:

"This meeting:

1. calls on all trade union officials to withdraw from the National Joint Negotiating Council and for Weinstock and his representatives to meet a delegation from the combine shop stewards' committee.
2. mandates the Action Committee to take any further steps necessary including sit-ins and other measures.
3. concerned at the power held by a small group of directors whose decisions involve the livelihood of a quarter of a million workers and their families, calls on the TUC to institute a campaign for the public ownership of the industry under democratic control.
4. resolves to black any machine tool or product being moved out of the factories concerned.
5. calls on the District Committee and ruling bodies of the various unions to form Action Committees to involve other factories in the area.
6. demands that the Confederation of Shipbuilding & Engineering Unions calls a national strike throughout the combine in opposition to the closures.
7. agrees to the imposition of an overtime ban."

We are utterly determined to resist the sackings, and to demand that an alternative policy, based on full employment and the planning of production in the interests of the nation, not in the interests of profitability, should be pursued. In defence of full employment, and in the name of a planned approach to the problems of our industry, we are proposing to take over and occupy our factories next month. We believe that this action is fully justified and necessary, in view of the arbitrary manner in which we have been treated. We believe that our struggle is part of the general fight against the unlimited power of employers to hire and fire, to plan huge so-called "rationalisations" without a thought for the social consequences of their decision. We want to make such decision-makers accountable for their actions. We aim to challenge the assumptions about economic policy which underlie the employers' decisions. We want to raise the whole question of government assistance and subsidy to private companies, who use this money without having to account for their decisions to anyone, least of all to the workers themselves. These are the reasons for the action upon which we have decided. We believe that they will have your sympathy and support, because increasing numbers of workers in many industries are facing the same problems arising from "rationalisation" and redundancies.

In order to conduct this campaign to a successful conclusion we urgently need your help and solidarity. We appeal therefore, to your committee or Council to take the following action.

- i) hold a special meeting, if possible in co-operation with other bodies of the labour movement in your locality, and invite us to send a speaker to explain our case and answer your questions. Invitations of this kind are urgently needed.
- ii) send a message of support and solidarity to us, which we can pass on to the workers in the factories concerned. This will help to show them that they are not alone in this struggle.
- iii) send messages to your local M. P. s, Labour Parties, and your own union executives, the T. U. C., the Labour press, etc., expressing your support for our case, and demanding that the redundancy plans be suspended immediately, pending a full hearing of our case.
- iv) hold collections and send us a contribution to our FIGHTING FUND. We urgently need money for all the many costs involved in an action of this kind. All contributions will be properly acknowledged.

Our decision is to occupy and run our factories. This we believe has never before been attempted on such a scale by British workers. The decision was not lightly taken, and it has the full support of the mass meeting of workers which was convened by the Joint Shop Stewards' Committee earlier this month. Our action will be conducted with all the discipline and

solidarity which are normally associated with a straight-forward strike. We shall continue to press through our trade unions, the TUC and the Labour Party, for a full recognition of our case, and for official support for our claims for no redundancy, for the inspection of the company's accounts by ourselves and our unions, and for an inquiry into alternative production plans for our factories, on which the unions should be represented.

We appeal to you and your members to act urgently and decisively on behalf of a cause which is the cause of all trade unionists, and the whole working class.

Yours fraternally,
JOCK STEWART (Chairman)
on behalf of the Action Committee.

The remainder of this pamphlet deals first with the record of the GEC-AEI-EE, with the role of the Government and its creature, the Industrial Re-organisation Corporation, (I.R.C.), and the role of the unions. It then argues the case for an alternative policy, which should be built on the basis of workers' control of the factories, and finally highlights the lessons to be learnt from the technique of factory occupation.

Chapter 2. THE FACTS ABOUT G.E.C. -A.E.I. -E.E.

The combined assets of the General Electric-Associated Electrical Industries -English Electric Company total £880 millions, and at this size, it is one of the largest electrical groups outside the U.S.A. It stands somewhere between 5th and 8th in the world league table of firms in the industry. G.E.C. has more than quadrupled its size during the past two years, through government-encouraged mergers with A.E.I. and English Electric. It now operates through some 120 subsidiary companies in this country, grouped into 5 main divisions: (i) engineering, (ii) industrial, (iii) telecommunications, electronics and automation, (iv) cables and components, and (v) consumer products. It owns 95 overseas subsidiaries located in Europe, Australia, New Zealand, Africa, Asia and the Americas. In addition to these direct holdings, the company has substantial interests in 22 other U.K. companies and 32 overseas concerns. The company operates in 135 establishments or factories in Britain, and the official view is that future employment is doubtful in 26 of these. (In fact, since the company issued a list of its factories which were regarded as "secure, subject to normal commercial considerations" several of these have also, felt the impact of the Weinstock axe.)

The combined turn-over of G.E.C. -E.E. for 1968-9 was over £900 million, whereas, three years ago, before the mergers, G.E.C.'s sales were only £180 million. The forecast for turn-over in 1969-70 is £975 million, of which as much as £175 million will come from sales by overseas factories belonging to the combine.

The profits of the G.E.C. -A.E.I. for the year ending 31st March 1969 were £37.4 million (before tax) and of English Electric, (for the fifteen months ending 31st March 1969,) £19.3 million, a combine total of £56.7 million. The profit forecast for 1969-70 is between £65 million and £75 million. This would represent approximately 15 per cent on capital employed, and £350 profit on each U.K. worker employed, or £7 per week per worker. The lower estimate of £65 million represents a 15 per cent increase on the 1969 profits, whilst the higher estimate is 32 per cent higher than last year's haul.

During the past four years, G.E.C. (excluding E.E.) has paid out £32.6 million in dividends, and retained a further £18.9 million profits. The latter figure of "ploughed back" profit benefits the shareholder quite as substantially as dividends paid out, since it adds to the value of his shares and gives him a capital gain, and helps to create future profit.

In 1968-9 G.E.C. -E.E. employed an average of 228,000 people, making it the largest private company in Britain in terms of employees. Their total pay was £243 million, (but notice that this includes everyone up to executive level) which

gives an average of £20-10-0 per week. The average for manual, clerical and lower grade staff must be considerably lower than this figure.

Conventional theorists and apologists for capitalism tell us that the days of self-interested owner-employers are over, and that a new breed of enlightened, public spirited, and dis-interested managers has now taken over control of industry, which they run in the interests of the nation, not for private profit. It is interesting to set this view against the position of some of the key directors of the G. E. C. combine.

Key Directors' Shareholdings.

Director's Name	Ordinary Shares held. (inc. 'B' shares)	Approx. Market Value (@ 25/-)	% of Issued Shares	Approx. Gross Divis. received, (1968-9)	
		£	%	£	
D. Lewis.	20,956,124	26,195,155	4.3	752,664	} inc. joint holdings
K. R. Bond.	19,018,972	23,773,715	3.9	684,864	
A. Weinstock.	4,613,148	5,766,435	.9	161,460	
	44,588,244	55,735,305	9.1	1,598,988	
12 others	856,865	1,071,082	.2	31,911	
	45,445,109	56,806,387	9.3	1,630,899	

During 1969, the stock exchange price of G. E. C. 's ordinary shares fluctuated between $22/1\frac{1}{2}$ d and $34/10\frac{1}{2}$ d. Every time that the share price rises by 1/-, the value of Mr. Lewis' shares goes up by £1,047,806, those of Mr. Bond by £950,948, and those of Mr. Weinstock by £230,607. In addition to their dividends, and the potential capital gain on their shareholdings, the directors are paid - a wage! Arnold Weinstock as Managing Director receives £23,000, and the Chairman, Lord Nelson of Stafford, receives £19,000. Six other directors received over £10,000 each, and a further five were paid between £5,000 and £10,000.

Who are these directors?

1. Arnold Weinstock, the managing director, at first sight fits the theory of the rise of the new managerial elite. Educated at London University, he worked in the Admiralty's offices before entering the world of finance via Property and Development, and Radio and Allied Industries. When the latter company was taken over by G. E. C. he became first a director, and then in 1963, its Managing Director. His "skills", acquired on his way up, are heavily weighted towards finance, organisation, and ruthless profit-making.

He is a director of London Week-End Television.

2. Oddly enough, the two other multi-million pound shareholders, Messrs. Bond and Lewis, are extremely obscure people. Bond, the deputy-managing director, is described as a Chartered Accountant in the Directory of Directors, but has no other directorships. Lewis has no entry at all in the Directory. Fortunes of the kind they represent are not usually accompanied with so much modesty. The opening of the books of their 'joint' holdings in the company would seem to be an elementary necessity.

3. With Lord Nelson, the chairman, we are on more familiar ground. Educated at Oundle and Kings College, he is clearly an establishment figure, although he has acquired many technical qualifications, as well as 60,000 G.E.C. ordinary shares! Amongst his thirteen other directorships, he sits on the Boards of the Bank of England, the British Aircraft Corporation, the International Nickel Co. of Canada, and the National Bank of Australasia Ltd., (London).

4. Lord Aldington (Winchester and Oxford) holds 40,000 shares in G.E.C., and has 17 other directorships, including Alliance Insurance, London Assurance, Grindlays Bank, Lloyds Bank, National & Grindlay's Bank (Chairman), National Grindlay's Finance and Development Corporation (Chairman), National Discount Co. Ltd., Sun Alliance & London Assurance, (Vice-Chairman) and so on.

5. Lord Catto, (Eton and Cambridge) has 333,000 shares in GEC, and has 10 other directorships, scattered amongst finance and banking companies.

6. The Hon. R.H.M. Kindersley is the son of Lord Kindersley, the former Chairman and managing director of Lazards, director of the Bank of England, and chairman of Rolls Royce. His honourable son holds a mere 3,000 GEC shares, and finds time for only 4 other directorships, which include a seat on father's banking Board at Lazards.

7. Sir Humphrey Mynors Bt., (Marlborough and Oxford) was deputy governor of the Bank of England from 1954 to 1964. He is chairman of the Stock Exchange panel on Takeover and Mergers! He has 6 other directorships, amongst insurance and finance companies, and also sits on the Board of Imperial Tobacco.

8. Sir Richard Powell (Queen Mary's Grammar, Walsall and Cambridge) has been a top-level Civil Servant, including permanent secretary at the Ministry of Defence, (1956-9) and at the Board of Trade (1960-68). He has six external directorships, in industrial and finance companies, and a modest 2,000 GEC shares.

9. Sir Jack Scamp, the group's Personnel Director, has made a name as the "trouble-shooter" in the motor industry; he has 88,000 shares in GEC.

10. Lord Trevelyan, (Lancing and Cambridge) is an ex-member of the old Indian Civil Service, and has been Ambassador in Egypt, Iraq, and the U.S.S.R. He was the Government's choice as special representative in Aden during the liberation struggle against the British forces there in 1967. Oddly enough, he is a director of the British Bank of the Middle East, B. P. Ltd., and B. P. Tankers Ltd. ! He holds 2,000 GEC shares.

11. The Board is completed by Mr. T.B.O. Kerr, (236,000 shares), Mr. W.J. Bird, Mr. R.H. Grierson, (30,000 shares), and Mr. J.R. Sully, (20,000 shares).

Comment on this portrait gallery is almost superfluous. Suffice to say that whilst Weinstock is the public figure who receives most attention, the Board contains a typical cross-section of the British ruling class, and in its connections with finance, banking, other industries, commerce, diplomacy, and the state, it summarises neatly the nature of the dominance which that small elite exerts over British society.

The drive for mergers and take-overs began after the appointment of Arnold Weinstock as Managing Director of G. E. C. in 1963. A ruthless concentration of authority into his central office took place, and slashing cuts were made amongst old-fashioned managers who failed to appreciate the desperate need for more profit. The Sunday Times reported:

"When Arnold Weinstock entered G. E. C. his prime task was to weed out waste (in design, overheads, etc.). Getting to grips with this has involved making every manager in the group acutely conscious of fractions of a penny, and personal responsibility for profit has been raised to virtually unparalleled peaks."

The Government's I. R. C. (of which more will be said later) encouraged the thrusting Weinstock in his quest for suitable take-over material, and at the end of 1967, he acquired the larger but ailing A. E. I., after a take-over battle of classic in-fighting between the two Boards of Directors. (More than £½ million was spent by the two companies on adverts and circulars alone.) With the share-holders reconciled - the original G. E. C. offer of £120 million for A. E. I. shares had been raised during the struggle to £160 million - the new Board set about its declared purpose, encouraged by The Times, which spoke of Weinstock's need to proceed "ruthlessly towards some ideal of efficiency Factories will be closed, and men made redundant. But the result, hopefully, will be a company which makes profits at home, and in competition with the international industry's best, overseas."

Immediately, 500 employees at A. E. I. headquarters lost their jobs, to be followed shortly by 300 redundancies at Harlow.

In February 1968, the plan to close Woolwich A. E. I. , Sydenham and two research laboratories, was announced, with a total of 6,100 redundancies. Whilst these closures were being carried out (in the telephone equipment section), the company announced that 2,500 workers would be dismissed in the light industrial section, most of them at Witton in Birmingham. This figure was in fact reduced, but even so in the first half of 1968 eight plants were offered for sale by the company altogether.

The merger between Weinstock's company and Lord Nelson's English Electric was conducted with much more goodwill and mutual assistance, than the A. E. I. affair. Again, the government regarded the step as admirable, and refrained from referring the case to the Monopolies Commission. A late attempt by Plessey's to take over E. E. was turned down, the E. E. shareholders accepted the G. E. C. bid, Lord Nelson became chairman of the new company, and the deal was complete with Weinstock again occupying the managing director's chair. Further redundancies followed in early 1969. In the power engineering section, 3,500 were declared redundant at Willesden, Newton-le-Willows, and Witton. In May, 150 jobs disappeared at Cross Heath, 80 at Stafford, 600 at Hookham. Some of these redundancies were associated with the transfer of production to other plants in the group, but upheaval for families, or the transfer of the job itself to some-one else, was the result for the workers.

The August announcement of further redundancies, "phased" over the next twelve months, was the spark which is about to light "the big flame" on Merseyside. In addition to the three Merseyside factories involved in the protest movement, factories at Manchester, Ashton-under-Lyne, Chesham, Whetstone, Walthamstow, Accrington, Stafford, and Bradford, are affected; the total redundancies amount to 5,965, which are offset by the creation of 1,050 new jobs, making a net redundancy of 4,915.

This is not the end of the story of G. E. C. redundancy. The latest suggestion, - from the I. R. C. - is that G. E. C. should sell its heavy cable interests.

Are the 'rationalisations' rational?

In announcing the cut-back in its power engineering section, the company has given as its reasons:

- i) drastic reduction of C. E. G. B. power plant orders and also of general home market orders for capital equipment, due to slower and more uncertain growth in the economy;
- ii) failure of overseas orders, (although these have risen from a quarter to a half of the total in the last two years) to rise fast enough to fill the gap;
- iii) excess capacity in the industry and the need to rationalise the production of the three merged firms.

Undoubtedly the GEC workers will be attacked by the company and the Government, as misguided Luddites who fail to appreciate the long-term benefits of rationalisation, or as selfish defenders of purely sectional interests. Either way, they will be pilloried as obstructionists, standing in the way of "progress." Even within the labour movement, as we have seen, there is a strong tendency to campaign principally for amelioration of the effects of redundancies, whilst accepting their rationality. It is necessary to stand the Luddite argument on its head; the closure or reduction of plant in the power engineering industry is not very obviously in the interests of this country, or of the people in the under-developed world. It is of course clearly in the interests of Weinstock and his fellow millionaire directors, and the shareholders, to whom alone they are responsible. The real "Luddite" in this situation is Arnold Weinstock; the GEC workers demand for 'no redundancy' is expressive not only of their immediate and wholly justified concern for their own jobs, but of the wider social interest of an already depressed Merseyside, and of the wider economic interest of working people.

Chapter 3. THE ROLE OF THE GOVERNMENT

Harold Wilson came to office in 1964 in a wave of crusading enthusiasm for the "white heat of the technological revolution." The dead-wood was to be cleared from the board-room; scientists and technologists were to succeed to power over the sordid influence of Tory bankers and financiers. Science-based industry was to be built up on the basis of new forms of public ownership, and new products were to be designed to meet the needs of the hungry world of under-development. In fact, the government's role in the GEC affair has been that of behind-the-scenes promoter of the take-over process, which has concentrated enormous authority and power in the hands of a typical bunch of establishment figures, who control the whizz-kids and the technical expertise of management.

The Government's role has been exerted via its much vaunted Industrial Reorganisation Corporation, a £150 million state "merchant bank" created by George Brown in 1966. The minister introduced his 'catalyst' to British industry as "a great and fruitful partnership, in a mixed economy, between private enterprise and the Government." It acts to promote mergers and take-overs, sometimes with financial assistance, buying shares or making loans, sometimes by back-stairs prompting to bring prospective merger partners together. Its chairman was Sir Frank Kearton, chairman also of Courtaulds, the sixth largest company in the U.K. He has said: "Where there is a clear case in the national interest for larger firms we must expect to see and indeed should welcome, a continuation of Government pressure . . ." The Labour Research Department, which is assiduous in tracking down the details of take-overs and mergers has often referred to the obscurity which surrounds the work of the I.R.C. Its role is "unpublicised," and "it is difficult to tabulate all the activities of this government body because the behind-the-scenes support it gives to parties to a takeover do not always become public." In August 1966, Labour Research reported:

"The growing activities of the I.R.C. in stimulating large-scale mergers is an important new field of state intervention in industry. The expenditure of the IRC is to rise from £15 million last year to £40 million this year. Its activities have so far benefited some of the largest companies in Britain. The British Leyland Motor Corporation is to get a loan of up to £25 million on easy terms as a reward for the merger of Leyland and BMC, while the IRC has promised a £17 million loan to persuade International Computers and Tabulators, English Electric and Plessey to pool their computer interests in a single new computer group called International Computers. Last year English Electric got a £15 million from IRC to encourage it to take over Elliott Automation."

In the case of the GEC-AEI battle, the IRC came out strongly for the takeover, so much so that Sir Charles Wheeler, a member

of IRC and the chairman of AEI, resigned from the IRC!

In general terms, and in addition to the work of IRC, government grants, loans, and research contracts to private industry have escalated rapidly under Wilson's administration, and topped £1,000 million last year. The GEC-EE Group collected £1,698,000 from the government during 1968 as "investment incentive grants" against the cost of new plant, and there is probably several million pounds still to claim on additions to the company's assets during the past year.

The Socialist Worker pamphlet "The Weinstock Empire - and How to Fight It," details another aspect of government aid to the under-privileged shareholders of GEC. Speaking of the Woolwich closure it goes on:

"In parallel with the closures in the South, expansion was announced for the telecommunications plants in the development areas. Up to 4,000 new jobs would be created in Scotland, the North-East, and South Wales. For this service to the development areas GEC would get 30 bob a week per worker for a period of up to two years, under the Government's Development Grants scheme - a hand-out worth £400,000. In addition, the Government would hand out £5 a week for each person being trained by GEC in the new job."

The utter futility of so-called 'inducement planning' (i. e. bribing industry to go to development areas with financial inducements) is shown up by the proposed Merseyside redundancies of GEC. The Merseyside unemployment level of 3.8 per cent is 50 per cent above the national average; Weinstock saw money in moving into development areas in 1967, now he sees money in moving out, and the social consequences for Merseyside just do not enter his reckoning. The gathering threat on Merseyside is not confined to GEC: the loss of the Polaris contract threatens to put 3,000 skilled workers on the streets from the Cammel Laird shipyard. Yet the Government has completely abandoned its fine intentions of 1964, when it promised to use publicly owned industry to bring work to such regions as Merseyside.

The wider context in which government policy is involved is of course the whole attitude to Balance of Payments, squeeze and freeze, and deflation. Reduction of home demand for electric power and power plant is the result of deliberate government action designed to keep imports down and encourage exports. The Government pursues this policy because the alternative involves control of imports and foreign exchanges, which would challenge the irresponsible freedom of giant companies like GEC to move their capital and goods wherever they choose in their world-wide operations.

Despite repeated calls from the unions and the TUC itself, the Government completely fails to hold the giant companies accountable for their use of society's funds. The workers on Merseyside are wise, in view of this record, not to rely on the Government to alter its policy, without a struggle.

Chapter 4. THE ROLE OF THE UNIONS

The shop stewards in the GEC combine have been presented with an almost impossible task in the past two years, in their efforts to create a comprehensive network linking together the plants, sections, and geographical localities covered by the extending tentacles of the giant new company. Combine committees have been established by ASTMS and DATA, separately, but the manual workers have not reached even that stage. Initiative for the formation of a national combine has come from AEF stewards on Merseyside, but were quite incomplete at the time the redundancies were announced. The impetus given by the occupation may result in more rapid progress towards the ideal form - a fully comprehensive, multi-union, multi-occupational national stewards' committee. Nothing less will suffice if the common problems of GEC workers are to be overcome with a common strategy.

The various unions involved in the combine represent the complete spectrum of industrial and political policies to be found within the movement. DATA called for a one-day strike to oppose the Woolwich agreement, and its declared policy of 'no redundancy' based on the demand for the right to work is being vigorously applied by its members on Merseyside and in the Action Committee. At the other pole, the E.T.U.'s President, Les Cannon, has consistently defended the merger-redundancy policies of government and Company, which is of course entirely consistent with his role as a member of the IRC. That membership makes him privy to some of the very discreet and confidential operations of the government body, and to the projected plans for redundancies and future take-overs in which it is constantly involved. No more extreme example of corporate bureaucrat-employer-state relations could be found; Cannon's position is as far removed as possible from the demand that officials should be held accountable for their conduct and activities, to their members. Predictably, the ETU members on Merseyside are under great pressure to dissociate themselves from the occupation of the factories.

The leaders of the 12 major unions which organize GEC workers come together on a National Joint Consultative Committee set up by Jack Scamp, after the Woolwich closure, for the whole combine. This body normally meets at the employer's instigation, and on the union side consists of prominent full-time officials. The Merseyside mass meeting in August passed, as one of its seven points, a demand that these officials should withdraw from the Committee, believing quite clearly that it was a mere shadow, and that its constitution removed it entirely from control by the stewards. The spirit of that resolution, in other words, was the same as that which inspired the Fords dispute earlier this year. On that occasion, the AEF and the T & G moved in to back an official strike, on the grounds that the agreement made by officials on the National Negotiating Committee was unacceptable to the stewards. A

national official of the T & G parted company with his union on this issue. The two militant unions affirmed that no settlement would be made with Fords without reference back to the stewards for their approval, a policy to which they fully adhered in practice.

So far, in the Merseyside case, the AEF District Committee has played a magnificent role, completely in keeping with the policy developed at Fords. All the unions must now respond to the new determination shown by the T & G and AEF, so that rank and file control is recognized and respected in the GEC dispute no less than it was at Fords. The winds of change are sweeping through formerly slow-moving union structures, stirred by effective militant leadership and rank and file alike.

Agreements on redundancy pay, acceptance of dismissals and corporate arrangements made between the government, Weinstock and Cannon, must be subject to the scrutiny, and if necessary the veto, of the workers directly involved.

As we go to press, it has been announced that Weinstock, accompanied by Wedgwood Benn for the Government, is to meet union officials in Liverpool on September 19th, the date appointed by the Action Committee for the occupation of the three factories. The officials should report back every item of that discussion to the workers; this will mean that they are reporting back, quite properly, to the workers' management committees which will be established in the factories. The spirit and practice of workers' control should extend beyond the factories, to the heart of the workers' own organisations. Moreover, the mass meeting's demand that Weinstock should meet a shop stewards delegation face to face, can only be accomplished, after the 19th, by Weinstock meeting the new workers' management.

Chapter 5. THE ALTERNATIVE POLICY FOR THE LABOUR MOVEMENT

The reasons advanced for the redundancies by GEC have already been discussed; they are "rational" only in the context of narrow, profit orientated accountancy. What is profitable for one firm (however large) may not by any means coincide with what is beneficial for the whole economy, and its working population. This is so for several reasons:

- i) short-term return on capital may be preferred to the longer-term possibilities.
- ii) research and development which does not give immediate results may be cut.
- iii) men and plant which add nothing to a firm's profits by being retained in employment, may add greatly to the national product, including exports and import substitutes. If they are not employed by the company, they may not be re-employed elsewhere, particularly in an area of high unemployment like the North-West.

Thus the demand for no redundancy may well make profound economic sense. The deployment of labour in the highest social interest can only be determined on the basis of scrupulous examination of all alternative production and investment plans; that examination cannot be left to profit-pursuing Boards of Directors with vast personal fortunes at stake. It must be conducted by the workers themselves. Of course, we shall be told that without a market, production is wasteful, and illogical. But this begs the question - who determines the market? The slow-down in home demand for power plant is, we have argued, the result of false economic policy on the part of government. The failure to find export markets can also be traced to the unwillingness of government to break free of the rules of international finance. Power plant is urgently needed throughout the world today. It is not, however, something which is sold to individual consumers or even mainly to companies. Most is sold direct to central and local governments and to semi-governmental public utilities. Each order is for very large sums rising to millions of pounds. The poorer countries who most desperately need power equipment can only buy it on long-term credit or with loans or aid from the governments of rich countries. Since the loans have to be repaid and the aid 'justified', such assistance tends to go to governments that are regarded as credit worthy, which often means "politically reliable". Trade in capital equipment, like power plant, could be rapidly stepped up, if trade agreements were entered into for a planned growth of exchanges between partners. Such planning has been avoided by this government, once again because it would interfere with the freedom of the giant companies, like GEC. Wilson used to speak of re-tooling British Industry to supply the need for machines and new products of the under-developed world. The workers at Netherton and the East Lancs Road are almost ready to take up the social purpose which Wilson abandoned so readily, in his flight from socialism.

The case for public ownership and workers' control is equally valid, whether we are considering overseas contracts

with governments abroad, or with public utilities at home. The GPO buys its equipment from GEC, part of a 'ring' of suppliers of telecommunications gear. The closure of the Woolwich factory could have been prevented had the GPO taken it over, and produced its own equipment. The same relationship holds between the Electricity Supply Board, another nationalised concern, and the GEC power engineering section.

The demands which the Institute for Workers' Control would like to see taken up by the trade unions include:

- i) No redundancies. Instead of proceeding with their plans, the company must be compelled to produce a full statement of their accounts, including the break-down into Groups, the power group particularly. Estimates of future revenue and expenditure must be shown, for Britain and other countries separately. The unions must be free to inspect the books without restraint, and to call on any advice which they find appropriate. The shop stewards must be free to supervise this inspection.
- ii) the mounting of a full scale enquiry, with trade union local and national representatives, into the following aspects of the redundancies and the making of a full social-cost benefit analysis of the proposed closures:-
 - a) the over-all size of power-plant producing capacity being planned by firms in Britain for the 1970s.
 - b) the precise programme of orders from the C.E.G.B. over the next five years.
 - c) the reasons for British firms' failure to compete effectively for power plant orders in world markets.
 - d) the possibilities of reaching trade agreements with developing countries to expand sales of power plant to them in exchange for firm orders for their products.
 - e) industrial development to provide alternative employment in the North-West, if power-plant capacity is found to be excessive.
- iii) the taking over of the Merseyside factories, into social ownership, under workers' control.

The Merseyside workers should appeal to the working people and the general public, over the heads of the Government and Mr. Weinstock. They should argue that this is not a dying industry they are defending, but that it is a growth industry the world over. Their struggle is not a sectional one, it represents rather the general social interest. They should sit tight in their factories until some-one convinces them, rationally and fully, that closure will benefit society, rather than the profit margins of GEC.

Chapter 6. NEW POLITICS, NEW TRADE UNIONISM.

At the 1969 Delegate Conference of the Transport and General workers' Union, Jack Jones, speaking of the developing ideas of workers' control and rank-and-file union democracy, coined the phrase "trade unionism with a human face". With its calculated evocation of the experiments in socialist democracy which were beginning in Czechoslovakia before the Russian occupation, this is a good description of a new mood in trade unionism and socialist political organisations. It sums up a spirit of militant democracy, of active opposition to arbitrary political and economic power by one man over another, and of regard for the creative capacities of the working people, which are so fearfully choked back and stifled in our present society.

It is true that workers in Britain enjoy certain democratic rights, which are crucially important to their livelihood and the defence of their conditions and standards of life. It is equally true that many of these fundamental rights are under heavy attack, by the employers, the State, the Conservative Party, and the predominant groupings within the Labour Government. The trade union victory over attacks on the right to strike, for instance, was only the first round of a battle which will continue to be fought on many fronts for a long time. Unions are learning that they can only maintain their powers by militant vigilance, and that they must be prepared to fight on several fronts at once. But workers are also learning that it is not enough to defend the democratic gains which were made by their fathers and grandfathers. They are also being thrust into new appreciations, which teach them the gross inadequacy of many of the institutions which purport to represent or defend them, and which continually underline the need for an extension of democratic powers at the grass roots of society.

Nowhere has this process of learning been more clearly exemplified than at the Liverpool plants of GEC-English Electric. The fact is, that the enthusiastic determination of the Liverpool Shop Stewards to resist unemployment by actually occupying and continuing to work their factories is a copybook example of "trade unionism with a human face." The new unionism has learnt from the old, and learnt thoroughly and quickly.

Before he turned his attention to the Merseyside factories, Arnold Weinstock had already dismissed 12,000 workpeople, of all grades and skills, from one end of the country to the other. Many of these dismissals were combatted by every possible 'constitutional' means. A perfect example of such resistance is the quite remarkable struggle of the Woolwich workers, totally united and enjoying, as they did, the backing of a whole community. Five thousand people, or more, participated in an impressive march of protest. Town clerks protested, Members of

Parliament were lobbied and joined in the protests, local authorities lent their weight to the campaign, work was blacked, and endless negotiations were undertaken with the company and the Government. The sum of all this activity was precisely, and entirely, zero. Never can the labour movement in one centre of population have been more completely united for resistance; yet, with all the pressure and lobbying, Mr. Weinstock went his own way as if his plans were no more untoward than changing the brand of the canteen tea.

Power did not lie in the hands of the local councils, or the MPs, or the union executives. Mr. Weinstock had the power, and the Government itself was impotent to challenge him, if it were to continue its misguided policies for 'economic recovery' which depend upon the success of the Weinstocks for their very life. The ultimate frustration of the democratic process was to be found in this: the largest Constituency Labour Party in the country is at Woolwich, and it certainly did not labour night and day to elevate Mr. Wilson to office, in order to rationalise nearly six thousand Woolwich breadwinners out of their jobs. The lack of control, of elementary accountability, within the Labour Movement itself, could not be more clearly demonstrated than by this doleful story. That is why it is necessary for the Liverpool men to take over their plant. Nothing less will work. Reason will never be seen on high unless force is applied. The Political leaders have escaped from responsibility to their constituents, with the result that Mr. Weinstock has a licence to do as he likes on the Mersey, whatever happens to the people who have invested their lives in his undertakings.

The occupation of the Weinstock Plants will not lead into utopia. It will be a hard and testing struggle. The workers will need massive support from the Labour Movement. Unless their colleagues in other factories and industries collect large sums of money to aid them, they may be starved out. Unless a vast political and trade union solidarity movement arises, they may be forced out. They are making a brave, if desperate stand. In the process, they will learn a great deal about the problems of the new society, just as their fore-runners in the occupation of the French factories have learnt. The innumerable problems they will face must be closely watched by the rest of the movement, in order, first to help while help is needed, and second to profit from the experience for future battles. Unless we change all the basic policies of Government, the next decade will be a decade of redundancies, and the light which will be lit in Liverpool will be a flare which will guide the steps of workers in innumerable subsequent conflicts.

The lessons of direct democracy of the school for selfmanagement which will open on the Mersey, must therefore be carefully marked.

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