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IB no.3, containing other material already submitted, will appear shortly. Articles for IB no.4 should be sent to Kinnell at the centre by March 1st, preferably typed A4 on Roneo stencils.

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THE E.E.C.

The EEC is the inevitable result of the laws of capitalist economic development. Faced with increasing competition from American capital, which had the inbuilt advantage of economies of scale resulting from its vast domestic market European capital was bound to protect itself, first by an enlargement of its own domestic protected market and then through concentration and centralisation of European capital.

"The emergence of American capital within the walls of the Common Market, whether in the form of new direct subsidiaries of US companies, or through merger with or absorption of existing European units, always represents, in the last analysis, a means whereby part of the European market is taken away from European capital ... It is unrealistic to assume that European capital will not react and defend itself against this process. Inasmuch as we are confronted here with a process of intensification of international capitalist competition, the amalgamation of European and American companies, in 99 cases out of 100, means in reality a defeat of European capital as a result of that competition." (Mandel - International Capitalism and "Supranationality" from "International Firms and Modern Imperialism" - Hugo Radice).

If under present conditions Britain were to withdraw from the EEC, what would be the result? Either it would work out some close association with the EEC almost equivalent to membership or its miniscule economy would be totally insufficient to enable capital to dispose of its overproduction. And it would be totally incapable of raising the vast sums necessary to devote to R & D, and capital construction.

British capital would be ravaged by international competition, and American and European capital would step in to pick up cheap acquisitions. In short Britain would be turned into an object for imperialist expansion.

Comrades from the WSL appear to argue that such a turn of events is no bad thing. At the North west aggregate meeting on 28th June PL argued that socialists must support the weakening of capitalism and demands which make the crisis of capitalism deeper. But it is mechanistic to equate capitalist crisis with working class advance.

" The political effects of a crisis (not only the extent of its influence but also its direction) are determined by the entire existing political situation and by those events which precede and accompany the crisis, especially the battles, successes or failures of the working class itself prior to the crisis. Under one set of conditions it may give rise to a mighty impulse to the revolutionary activity of the working masses; under a different set of circumstances it may completely paralyze the offensive of the proletariat, and should the crisis endure too long and the workers suffer too many losses, it might weaken extremely not only the offensive but also the defensive potential of the working class." (Trotsky 'Flood Tide' from "The first Five Years of the Communist International")

If withdrawel from the EEC were a part of an overall class battle in which the policies of a Workers Government and the interests of the working class were coming into immediate collision with the EEC, then yes, we would have to withdraw de facto by refusing to accept EEC instructions. In such circumstances any concomitant economic crisis could serve to spur the working class forward towards revolution.

But we are not in those circumstances, and the call for withdrawal at the present time has simply the effect of leading the working class up a nationalistic blind alley whether that is the intention or not.

[illegible], any successful campaign for real withdrawal would inevitably have to be followed up by the siege economy aspects of the AES in order to prevent foreign capital carving up Britain.

As E. Mandel wrote in his economic analysis (though the USFI's political line is different!)

" The position of socialists towards the Common Market can best be derived from the traditional Marxist position towards capitalist concentration. Marxists are not in favour of trusts as opposed to small business; at the same time, they understand that to try artificially to protect small business against capitalist concentration is a reactionary policy...

In the same perspective, it would not make sense from a Marxist point of view to call either for bourgeois supranational powers over the national state, or to defend the bourgeois national state against the growth of supranational powers".

As Marxists we do not oppose the inevitable laws of capitalist development for the sake of it. We see in such development the further development of the inherent contradictions of capitalism. We seek to further the revolutionary elements in that contradiction by our intervention.

JL says that we must not be neutral on 'whether or not the British imperialists cement a new economic alliance which will strengthen their hand against the working class at home or abroad.' Exactly how the EEC strengthens the bosses' hand is not spelled out. If JL means that the EEC strengthens European capital because it enables concentration to take place more easily and because it does away with some economic frictions within the community (tariffs, capital movements etc.) then I would not disagree. But this sort of strengthening is essentially no different from capital being 'strengthened' by new technilogocal developments which provide the potential for capital to increase the rate of exploitation. Marxists do not oppose the introduction of (say) the micro processor, we argue for work sharing without loss of pay in order that the working class can fight for such technology to be used for its benefit.

Nor can the growth of capital be seen as automatically against the interests of the working class. "But a boom is a boom. It means a growing demand for goods, expanded production, shrinking unemployment, rising prices and the possibility of higher wages. And in the given historical circumstances the boom will not dampen but sharpen the revolutionary struggle of the working class". (Trotsky, ibid.)

It is difficult to see in what other way the EEC strengthens capitalism vis a vis the working class. Does being in or out of the EEC make any difference to Ford's ability to move work from Britain to Germany during a strike? Of course the answer is no, and must be no because the EEC is no more than the bourgeoisie's attempt to bring the political and juridical superstructure into line with the reality of European economic relations as they have developed since the late '50s.

JL's presentation of the EEC is one sided. Marxists have always stressed that capitalism is unable to carry out the necessary transformation of Europe because of the contradictions inherent in trying to satisfy the divergent interests of the various capitalist states. But the fact that these contradictions exist and the limited nature of the transformation that capitalism is able to bring about are not an argument for withdrawal. Rather they should be at the centre of the propaganda we make in relation to the needs of the European working class, peasants, and small farmers.

Indeed the contradictions and divergent interestes of capital within Europe offer certain advantages for us in terms of political intervention. Take for example the question of Ireland. Labour and Ireland No.5 carried an article by Richard Balfe which related how support in the Socialist Group

in the European Parliament [illegible] 3. [illegible] now a telegram had been sent to Thatcher calling her to negotiate with the hunger strikers. OK the telegram was pretty useless, but it was an advance on the position taken by Labour at Westminster.

More importantly, Balfe says that Ireland "has made campaigners against the Berufsverbot in Germany, for civil rights in Italy, for the right to petition to the Court of Human Rights in France, realise that they have potential for alliance on all of these issues between groups in different countries."

And on 29th June a demonstration of European trade unions took place against unemployment. Without the existance of the EEC to provide a focus is it likely that such a demonstration could have taken place? At that demonstration Len Murray said that the TUC was there because they were opposed to Thatcherism in what ever language it was spoken.

For how long are the nationalist solutions to unemployment peddled by Murray and Co. going to remain compatible with statements like that, which openly say to the working class unemployment is an international problem?

If there has been any weakness in the ICL's position, it has been that our propaganda has been aimed almost entirely at the British working class rather than towards raising demands in relation to the EEC capable of uniting the working class,peasantry,and small farmers throughout Europe. One of the most obvious areas where such demands should be raised is in relation to the CAP.

The CAP maintains high food prices, creates massive overproduction and waste, and barely provides a subsistence for the peasants and small farmers for whom it is supposedly designed. An internationalist policy would suggest raising the demand for the nationalisation of the large farms, a minimum wage for the peasants and small farmers, the provision of state finance for the modernisation of the small scale farms and incentives for the peasants to form collective farms, for the defence of workers living standards through a sliding scale of wages.

JL however sees the high prices caused by CAP purely as an attack on the British working class, and instead of a united class response to the CAP offers withdrawal. Such a response not only offers no solutions to the peasants and small farmers of the EEC but is also unlikely to result in any lowering of the cost of living for British workers (let alone other workers!)

The argument is a very strange one. Marxists have argued that one of the incentives for imperialism was the need for sources of cheap raw materials, and particularly cheap foodstuffs in order to reduce the value of labour power. By reducing the amount of necessary labour time, so the argument went, so the amount of surplus labour time would be increased. Now if JL is correct that the strategy of capital is to attack workers living standards through the CAP by keeping food prices high we must assume that imperialism was on completely the wrong tack before. Instead of sources of cheap food it should really have been looking for more expensive food!

In fact JL's argument really gives unintentional help to the reformists. It says instead of a fight to protect workers living standards through the sliding scale of wages, blame it on the EEC. If taken to its logical conclusion, this argument, by shifting the focus of struggle from wages to prices should lead us to calling for price controls in Britain to protect workers living standards.

Even without the sliding scale it is doubtful whether workers living standards in Britain have fallen as a result of higher EEC food prices. Indeed one of the reasons for the acuteness of the present crisis in Britain stems from the ability of the working class to defend its standards of living