1) GENERAL

The world phenomena of recurring trade imbalances and monetary crisis are surface symptoms, giving advance warning of an approaching deep economic crisis for World Imperialism. Robbed of considerable proportions of the Earth's resources and markets by the emergence of a hostile communist bloc, after the second World War, the Western Imperialist Nations now face a period of crises of relative overproduction of commodities and Capital, and scarcities of raw materials. Among the many additional symptoms of the underlying crisis which are manifesting themselves are the growing number of bankruptcies and failures, swindles of huge proportions, frantic takeover bids, and the threatened break up of solidarity and mutual co-operation of the Western Imperialist Alliance.

The development of this underlying crisis is the motive force of Nixon and Brandt's moves establish economic links with the Soviet Union, China, and Eastern Europe. Without the increasing and major involvement of the Communist countries within the World Capitalist market then a crisis of huge proportions is inevitable. It is possible, however, that the Soviet Bureaucracy's fears of internal dissent and upsurge after the examples of Hungary and Czechoslovakia, will be sufficient to allow further penetration of Western Capital, to appease the Soviet population with more cheap consumer goods. If this does happen on any great scale then it will certainly stave off, at least for a number of years, the crisis which is being prepared.

2) THE USA

The former overwhelming superiority of US Capitalism has to a large extent been undermined by the emergence of West Germany and Japan as major commodity producers and accumulators of Capital. Whilst since the end of the 2nd World War, the US has used its dominant position to export Capital into these sectors and 'influence' them, nevertheless the pre-capitalist, pre-world market Nation State identity is still paramount in bourgeois ideology and in the final analysis cannot be reconciled to domination by another Nation, even though it calls itself a freind, and especially in a period of growing antagonisms. The growing tensions have already led to Capital restrictions and could lead to buying back 'National' assets, and eventually to nationalisations, confiscations, sequestrations and appropriations, should the contradictions deepen.
3) BRITISH CAPITALISM.

The long term problem for British Capitalism has been its historic decline from the leading Capitalist Nation to in the 19th century to its relegation to a subordinate position in the 20th. This historic decline was interrupted for a brief period after the 2nd World War, and it was able to temporarily reverse this trend. This relative decline soon reasserted itself with the rapid development of West Germany, Europe and Japan. Whilst an expanding World Market enabled British Capitalism to continue to grow in absolute terms it began again its relative decline. It is with the return to decline that the internal contradictions began to re-appear.

The 2nd World War not only halted temporarily the decline of British Capitalism it erased the defeats of the 20's and 30's. The boom period afterwards together with a new generation of undefeated workers has combined to produce a confident working class with expectations (generated by the Capitalists themselves) of rising standards of living. An expectation which the British Capitalists can no longer fulfil. British Capitalism needs to modernise its commercial and industrial techniques, much more rapidly than in the past, in order to compete with foreign capital. But this 'modernisation' itself needs huge amounts of capital which needs to be 'assured' of profitable return before it can be attracted. This urgent need compels the British Capitalists to attack the living standards of the working class as a prime and urgent objective.

The entry of the UK into the EEC whilst it was seen by many Capitalists as advantageous offers no real solution for British Capitalism as a whole, for it comes to late to exploit an expanding European market. West Germany occupies a position of supreme strength in a Europe which is slowing down its rate of growth.

4) THE CLASSES

The need to take into consideration the confident mood and expectations of the British workers has forced the Ruling Class to adopt the tactics of the Phases, which have revealed many deep divisions within the Capitalist Class, which combining with the intense international pressures, and the profound changes in class relations, XXX has caused and will continue to cause them to make mistakes (as with the jailing of the 5 dockers). The possibilities of further divisions opening up within the ruling class are presented by the re-emergence of fierce competition between the Imperialists as certain strata of the Capitalists ally themselves to US capital and others to European or Japanese.

The working class since the War has developed traditions of fragmented struggle. This establishes conditions in which only in times of exceptional attack do the British Workers act as a class.
We are now entering a period of such attacks. Many workers are beginning to realise the need for unity in a very limited way but as yet this has not entered their consciousness as an understanding of the demands this makes upon themselves. The period we are entering is unlike any which has gone before. When the last period of prosperity for British Capitalism (and consequently its workforce) was over (1850 to 70's) the ruling class still had the 'empire' to retreat to and the economic possibility of continuing to bribe layers of workers, by using the superprofits of Colonial exploitation. The present boom period which is ending a century later finds the British Ruling Class with no such economic possibilities. The British workers, as a class will undoubtedly need to go through a defeat or major setback before they are convinced of the nature of the tasks which face them but nevertheless once stung into action there will exist the real possibilities of building a truly mass and truly revolutionary party.

5) PHASE 3.

Phase 3 will see the collaboration of the TU tops with the Government in controlling wage rises and they will no doubt be rewarded with some concessions in the form of help for the low paid, pensions and some parts of the IR Act. There will be attempts by the Government and the TUC to get acceptance of 'Threshold Agreements' to which we should counterpose a rounded programme. Inflation will continue to be a problem and will defeat all attempts to contain it. Phase 3 will see therefore an upturn in the class struggle and there will be a strong tendency amongst the more conservative layers of the workers to look to the return of a Labour Government to solve their problems. These tendencies will be strogest in the 'old' layers of the left, the CP, the TU leaderships both local and national. There will be no Mass turn to the Labour Party, and of course a Labour Government, if elected, given its ideological commitment to Capitalism will be faced with exactly the same problems as the Tories.

6) In the last period we have related to the class primarily on the level of tactics (general strike etc). Whether the coming explosions lead to victory or defeat, it is in either case vital that we conduct more adequate propaganda for a full rounded programme for the transformation of society. This is in principle separable from the questions of demands on the Labour Party and governmental slogans.

The Industrial working class offensive, coupled with the TU tops moves closer and closer to the Government, raises urgently the question of a militant rank and file movement. Groupings in steel, the Ports, and the Building Industry have achieved major importance. It is not within our powers to prepare a cross sectional movement other than by propaganda (which is vital), but there are increasing indications that forces bigger than ours may take an initiative.
Our propaganda for an all industry rank and file movement must be linked with propaganda for a revolutionary programme for that movement. Initially at least it should take the form of:

1) Against the Industrial Relations Act. Against prices and incomes policies under Capitalism. Independance of the trade unions from the Capitalist State. Active solidarity with all workers victimised in the class struggle.

2) Full Trade Union democracy. Regular yearly elections and instant recall for trade union officials. Full time officials to be paid the average wage of the workers they represent. No secret talks. No agreement without rank and file approval.

3) A 30 hour week. Reduce hours not jobs. Work or full pay. A National minimum wage for all regardless of colour or sex.

4) Against racism, for unity in class struggle. Against immigration controls. Trade Unions to take special measures to bring immigrant workers into the Labour movement. Solidarity with oppressed peoples fighting Imperialism by any means nececssary.

5) Full equality for women workers. Free 24 hour State nurseries.

6) As an automatic process minimum take home pay to be increased to keep pace with a cost of living index determined by workers and housewives commitees.

7) Nationalisation under workers control of all enterprises which claim they cannot meet these conditions.

7) The acute problems which the present period poses is causing and will continue to cause for some time, the crisis and chaos in all Political groups and parties in British society. This is true of the revolutionary left just as much as the Tories, Labour, and the Communist Party. The sudden and new changes in the class struggles which commenced in 1972 with the miners strike has caused a profound crisis within the revolutionary left, and has revealed in all groups a profound internal crisis of Marxism. Our tasks are therefore to continue to relate to the class thro' its militant sections seeking to win militant workers and shop stewards to a full programme of Trotskyism, by the means of factory bulletins, WF readers groups, workers educationalists, and fraction papers as well as thro' our practical activity. We must continue the process of clarification and theoretical struggle, in relation not only to the history of the Trotskyist movement, but to the understanding of the fundamentals of Marxism and the works of Lenin.

addendum add at the end of (6) MT's amendments (iii) and (iv)