

NEWS ANALYSIS

An Offer They Couldn't Refuse

NEW YORK, Feb. 18 — Important insight into the politics of the strategic East-West trade problem is provided by comparing proposals for the expansion of such trade emanating from Helsinki, Finland and London. Tempting though it might be to dismiss the package deal British Prime Minister Harold Wilson took with him to Moscow — especially considering that the proposed deal was checked out first in the U.S. with representatives of the Rockefeller-Ford clique, and that results were cleared with travelling towel-boy Henry Kissinger as the latter stopped off in London on the return leg of his latest rally round the Middle East — such an approach is insufficient (under present conditions). What is needed in the international workers' movement at this point is a sensuous understanding of the politics of the East-West trade issue.

Let's clear away the secondary issues first. Despite the press mileage which the CIA's psywar division will undoubtedly extract from the sheer magnitude of the projected deals between Britain and the Soviet Union — in excess of \$2 billion — and notwithstanding Comrade Brezhnev's undoubtedly sincere desire to help British workers by putting them to work on Soviet contracts, such deals will not significantly affect the international strategic situation.

The reason for this is located in the domain of politics, not in the economics of the expansion of East-West trade per se. From the layman's standpoint the proposed exchanges of British capital goods for Soviet raw materials may seem to meet the requirements which the ICLC has generally specified in the 'Real Detente' and 'Zuerst kommt das Fressen' proposals. Closer examination shows that they do not. The reason is not hard to find. It is the political role of capitalist credit and finance in such arrangements which has to be understood.

From the capitalists' standpoint production and consumption of socially necessary goods and services is merely a by-product of their actual business at hand. What is primary is the extension of credit in anticipation of projected returns on the extension of such credit. However, returns are not calculated from the basis of the actual social cost of necessary production, but rather on the basis of maintaining the purely paper value content of the credit originally advanced. In consequence as advances in social productivity depreciate the value of credit advanced in terms of real cost to society, the continuing demand for return on the credit advanced begins to strangle the production of necessary goods and services.

No sane person could any longer deny that such is the case from a mere cursory survey of the present state of capitalist economics as such. The mere juxtaposition of idled plant, construction equipment, deteriorating housing, transit and education facilities, with ever-spiralling corporate municipal and state indebtedness demonstrates the point.

However the situation in regard to such arrangements with the Soviet Union and East Bloc countries is marginally different. These areas actually represent, from the capitalist standpoint, a source of previously unaccounted loot, **within existing credit systems**, available to prop up credit and monetary systems which are presently collapsing from the weight of debt we have noted above. Over the short-run, advances of capitalist credit to such areas will no doubt result in potential advances in so far as raw materials etc. are actually freed for the production process. In the not-so-short run such practices actually serve to subjugate production within the workers' states areas to the dictates of capitalist finance.

It's from that vantage point that the mooted deal between Bri-

tain and the Soviet Union must be seen. Unless Harold Wilson has agreed to recognize the reality of his government's position by bankrupting the pound sterling, then Soviet raw materials, despite good intentions, will merely serve to back up the pound in its international monetary system role as pilot fish for the economically toothless shark that the U.S. dollar has become. Unless the pound were bankrupted and the deal made on the basis of development plans dictated by the political working class, the Soviet-British arrangement could fall into the same category as David Rockefeller's erstwhile "detente" deals.

The issue here is really quite simple. Simple strengthening of economic ties between workers' states and capitalist sectors does not inevitably rebound to either the Rockefeller faction's or the working class' political advantage. All that is necessary for the workers' movement is to recognize the reality of the situation. The capitalists' political situation, in particularly Western Europe, is such that the workers' movement is admirably positioned to begin to make the kind of political offers the capitalists cannot refuse. Simply put, the political strategy to adopt in pursuit of expanded East-West trade is to use the political and social unrest generated by the insane economic policies of the Rockefeller faction in the industrialized West as the lever to implement trade and production proposals modeled on the urgent need of the Soviet Union and the East Bloc countries to upgrade the social productivity of their agriculture, and of the Western countries themselves.

The Finnish Proposals

It is from the standpoint of such a strategy that the current political impact of the proposal for the incorporation of the Soviet Union in an expanded Scandinavian trade and energy bloc, launched by Finnish Social Democrats through their newspaper Demari

must be seen. The rationality of such a proposal is demonstrated by the hysterical response it has drawn from leading Swedish and Danish Social-Democratic operatives of the CIA like Palme, Anderson and Norgard, whose present policies of militarized economies on the basis of the NATO controlled output of North Sea oil fields is presently the target of working class hatred throughout the region. In short the Finnish proposals have forced Palme into publicly demonstrating the reality of his policies — without verbiage. A

Conservative was deployed to Reykyavic, Iceland to rebutt Finnish proposals, while Palme himself told Labor Committee organizers at Copenhagen's airport that he would join NATO "tomorrow."

Of course the mere creation of disarray within the ranks of ruling capitalist factions in that part of the world does not, in itself, take this necessary process further forward. The practicality of the Finnish proposals must be developed from the standpoint of the convertible Ruble

arrangement, coupled with the necessary Handelsbank to assure satisfaction of Soviet agriculture and other production priorities. Such activity must in turn be accompanied by workers' movement efforts to demonstrate the urgent feasibility of such proposals in the eyes of the workers themselves. Following such a path the Finnish 'pilot model in the expansion of East-West relations' can become in short order a giant step in the transition to workers' government forms in Europe as a whole.