

Fourth International

Can U. S. Capitalism Avoid The Impending Crisis?

- "Welfare State" Panaceas . . . *By John G. Wright*
- Depression or War *By Louis T. Gordon*



The Road Ahead in Negro Struggle

By J. Meyer



The Fall of Shanghai

June 1949

25c

Manager's Column

The 'new-look' Fourth International is really going over big out here," writes Literature Agent Bert Deck of Los Angeles. "We sold out our bundle for May in the first five days. The articles are being discussed in the branches and the classes; and interest is running high. Please send us five more copies of the April issue and ten more of the May issue. Also increase our regular bundle after this by fifteen copies."

There's a tip for some of our readers. How about discussing some of the most interesting articles in **Fourth International** with your friends? Or even better, getting together to study one or another article? As Bert Deck's letter indicates, study and discussion results in keen interest in the only authentic Marxist magazine in the United States and helps increase its circulation.

Another method of building up circulation was used last month by some young comrades of the Socialist Workers Party in New York. Loaded with Marxist literature, they took a trip to Washington, D.C. to cover the Annual Lobbying Conference of the National Association for the Advancement of Colored People. The delegates, many from parts of the country where Marxism is known only by hearsay, greeted them in a friendly way, as can be seen from the sales: 22 copies of **Fourth International**, 26 copies of the pamphlet **A Practical Program to Kill Jim Crow**, 7 copies of **A Letter to American Negroes**, 12 copies of **The Negro Struggle for Equality**, 7 copies of **Stalinism and Anti-Stalinism**, 12 copies of **The Militant**, and a number of copies of **American Workers Need a Labor Party**.

For the third successive month, we still find it necessary to report continued sales of the outstanding March issue of **Fourth International**. In Pittsburgh a well-known local

union figure ordered 50 copies to pass on to his friends in the labor movement.

And Dickson Woods, San Francisco's Assistant Literature Agent, asked us to "send 10 more copies of the March issue which we sold out almost as soon as they arrived and which we now need as reference material for a series of nine lectures we are beginning on Marxism and the Problems of the American working class both here at 1739 Fillmore Street and at the new Socialist Workers Party headquarters at 1408 Webster Street in Oakland. Both James P. Cannon's article on 'New Problems of American Socialism' and Bert Cochran's article on 'A New Union Bureaucracy' will be in demand for these lectures." Comrade Woods adds, "We await the July issue devoted to 'The American Empire,' as it will undoubtedly have a good sale and will also help us in the lecture series mentioned above. You will

probably receive an order from us for extra copies of the July issue before it comes out."

"We have all been extremely impressed with **The Militant** and **Fourth International** of late," Oakland's Literature Agent Louise Leslie tells us. "Certainly they have played an important role in stimulating enthusiasm for our ideological campaign. They are publications of which we can be thoroughly proud, especially when we take a glance at what's happening to the so-called 'theoretical' organs of the hard-hit reformist groupings."

From one of Milwaukee's ace sub-getters, G. H., we received an appraisal of the contents of the May issue which we appreciated very much: "Comrade Dunne's review of Ralph Chaplin's **Wobbly** pays the tribute of our movement to the tradition of the IWW and at the same time shows its degeneration and present sterility. The point is made clear

in the review that the IWW has not developed into a significant force in the class struggle because its acknowledged militant practice was not linked up with and guided by a revolutionary theory. As Dunne says, Chaplin 'was not a Marxist scholar,' and also 'the clear implications of the American and the world class warfare and the Russian Revolution passed him by.' The IWW has not kept up with and ahead of the development of the working class but has fallen far behind, and in Chaplin's case, into the camp of the class enemy."

G. H. also liked Eckstein's article on the Comwell period in English history and thinks the "continuation of Comrade Warde's series on American society is very valuable."


Literature Agent Howard Mason of Detroit writes that an effort has been made there to secure good distribution of the April issue containing the article on the problem of Negro leadership, "The Talented Tenth," by J. Meyer.

Last month we reported that H. L. of Detroit ordered 12 copies of the December 1948 issue. "These were for personal use," he informs us. "I have found a strong response among Negroes to the article, 'Revolutionary Answer to the Negro Problem.'" Passing on copies of issues containing exceptionally good articles to your friends, as H. L. is doing, appears to us an excellent practical way of helping to spread the truth.

Comrade Winifred, Literature Agent of St. Paul, says that "two of our railroad comrades always read the magazine and have remarked that it is getting better and better, particularly the editorials—but that the language is still such as to require a dictionary to read the the FI!" The editors are really on the side of those who want simple, clear language; but they occasionally succumb to the pressure of those who insist on the Marxist press helping them to build their vocabularies.

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FOURTH INTERNATIONAL

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EDITORIAL REVIEW

THE FALL OF SHANGHAI

As this editorial is being written, the guns of the peasant armies are pounding the approaches to Shanghai. Its fall, now a matter of days or at most weeks, heralds the climax of the Chinese civil war. Once again, as during the northern expedition of the Kuomintang armies in the upsurge of 1925-27, Shanghai is the crucible of the Chinese Revolution. Within this largest of Chinese cities, possessing the greatest concentration of modern, class-conscious proletarians and the heaviest aggregate of foreign investment, the fate of world imperialism in the Orient, the future of class relations in China, the policies and strategy of Stalinism are being submitted to a decisive test.

The first impression gained from the struggle for Shanghai is the impotence of world imperialism. This is the city where a handful of white men ruled like lords for more than a century, cowing and subjugating millions of Chinese with the most brazen display of armed force. Now their one desperate thought is flight. For weeks Shanghai has been the scene of a scramble by the emissaries and retainers of world imperialism, by capitalists, businessmen—the whole assorted tribe of exploiters, slavedrivers and buccaneers—to obtain space on departing ships or planes, to get out while the getting is still good. This is the dominant trend although a few agents of Western capitalism stay on to test the possibilities of an agreement with the Stalinist leaders. Watching the humiliating and crippling—and deserved—punishment received by the British gunboats on the Yangtze, American imperialism, the most powerful of all capitalist nations, possessor of the atom bomb, quickly decided that discretion was the better part of valor. It has dismantled its military establishments, pulled its warships out of the range of fire. How the mighty have fallen!

The hasty withdrawal of world imperialism from

Shanghai highlights the second dominant fact of the civil war—the utter chaos, corruption and disintegration that prevails in the Chinese capitalist class. Up to now foreign military forces have played the role of an auxiliary and reserve for the main body of Chinese capitalist counter-revolution. Chiang's armies subjugated the revolutionary masses twenty-two years ago. The British helped, it is true, but the main counter-revolutionary work was carried out by indigenous forces. Today, the military establishment of Chinese capitalism, which required some three billion American dollars to create, has virtually vanished into thin air.

The "defenses" of Shanghai, which, according to correspondents on the spot, could not withstand a battery of pop-guns, are manned by a mercenary army commanded by a typical hijacking Chinese warlord. Expected by all to take to his heels as soon as the battle becomes serious, the General meanwhile is exploiting the siege of the city to blackmail Chinese and foreign capitalist interests for all the traffic will bear and to loot everything that isn't nailed down. Yet payment, however reluctantly made, is for services rendered—the suppression of any revolutionary uprising which might break out before Mao's armies enter the city.

The situation in Shanghai is thus typical of that in the country as a whole. A compradore class, isolated from and hated by the population as a whole, the Chinese bourgeoisie and its political agents have been totally incapable of defending their own interests, let alone conducting military engagements on the huge scale required by the civil war. Corruption vies with incompetence. While the top command of the Kuomintang army and the top politicians in the government grafted and manipulated foreign imperialist aid to fill their own coffers, desertion was rampant at the front while chaos and inflation abounded in the rear. As the struggle for Shanghai impends, the disintegration of the Nationalist armies parallels the collapse of the Kuomintang government.

The victories of Chinese Stalinism must be viewed in light of the specific conditions and relationships of class forces set forth above. Do these victories contradict the famous charge by Trotsky that Stalinism is "the organizer of defeats"? Not at all. On the whole, what has been won by the leadership of Mao Tse-tung has been won by default. One notes with amazement how, since the peasant forces swept down from the North, entire armies capitulated at the first shot or fled in panic leaving their arms and equipment behind them. Not even the Bolsheviks, who combined social warfare with military struggle, won such overwhelming victories so easily. Serious opposition, which would have long ago tested and wrecked the bankrupt policies of Stalinism as it has in the last three years in Europe, has been lacking in China. Neither world imperialism, preoccupied with its "cold war" in Europe, nor the decadent Chinese bourgeoisie could offer such opposition.

Yet precisely because of these circumstances, the victories of Chinese Stalinism occur under magnificently favorable conditions. The danger of foreign intervention, the most potent threat to all revolutions, has been reduced to a minimum. Internal counter-revolution is likewise less menacing particularly in view of the impotence of native cap-

italism, the long accumulated grievances of the people, the sweeping nature of the victories of the peasant armies and the universal desire for peace after so many years of civil war. In addition tremendous revolutionary reserves in the whole colonial world are shaking the empires of Western imperialism to their foundations. But for one force, the events in China—when joined to those in Indonesia, Burma, Indo-China—could spell the beginning of the end of world capitalism which cannot live without the exploitation and super-profits of the East. That force is Stalinism.

The policy of Stalinism remains essentially the same as that which led to the defeat of the Chinese revolution in 1925-27. It is class collaborationist and reformist—not revolutionary. The same policies then carried out in alliance with and in subordination to the Kuomintang are today being practiced during the struggle against the Kuomintang. Now as then, the agrarian revolt is being exploited to provide troops for the advancing army but the Stalinists are not advocating or promoting any basic transformation of property relations in the countryside. Denominating the main enemy as “feudalism,” Mao and his central committee have repeatedly warned against “excesses” which take the form of peasant action against the rich capitalist land-owners and usurers who are the *real* oppressive force in the Chinese village, particularly in the South. The few reforms decreed by the Stalinists are not basically more radical than the rent reductions in land granted by Chiang Kai-shek to appease the peasant masses during his northern expedition twenty-two years ago.

The situation within Shanghai today when con-

trasted with that of two decades ago speaks volumes about the Stalinist attitude toward the Chinese proletariat. Let us briefly recapitulate the events of February-March 1927. A great general strike broke out within the city as the Nationalist armies were on the point of entering Shanghai. Although the action was directed against the military governor, against whom Chiang was presumably warring, he deliberately halted his armies at the outskirts of the city while the reactionary warlord butchered the insurgent workers. A few weeks later, recouping their losses, the workers of Shanghai rose again in a mighty insurrection and hurled the reactionary troops out of the city, taking power in their own hands.

Anticipating treachery from Chiang, the workers wanted to bar the approaches of the city to his armies. But in the eyes of Stalin and his Comintern, Chiang was the “liberator” of China fighting a “progressive” war against “imperialism and feudalism.” The Communist workers were ordered to bury their arms so as not to “provoke” Chiang. What happened is well known. While the French Stalinists were greeting the entry of the Nationalist armies into Shanghai as the beginning of the Chinese “Commune,” Chiang was launching a bloody white terror which set a goal for Hitler to equal a few years later. Unions, workers’ organizations and the Communist Party were smashed and driven into illegality.

So far, according to all reports, the Shanghai workers have remained passive and apathetic as the Stalinist armies prepare to invest the city. They are aware that

there has been no serious change in the class-collaboration policies although the bloc with the Kuomintang no longer exists. Not one of the conditions of peace submitted by Mao to the Nationalist government was concerned with improving the lot of the workers, let alone reflecting their revolutionary aspirations. In cities already occupied by them, the Stalinists have rudely repulsed independent actions by factory workers and even suppressed strikes for the most elementary economic demands. The Stalinists have not uttered a solitary word of warning, not a hint of reprisal against the militarist rulers of Shanghai who have been executing strike leaders and militant workers on the streets of the city in broad daylight. Is it any wonder that the victories of Mao’s armies have not kindled sparks of hope in the hearts of the oppressed masses of China’s greatest city?

Confronted with a proletarian revolution in

Shanghai, the Chinese bourgeoisie, under the leadership of Chiang in 1927, gave up its independent aspirations and sold itself to the foreign imperialists in order to crush what it considered its main rival. What is to be expected of Mao? He has already promised to respect private property with the exception of “bureaucratic capital,” that is, the property of the most hated Kuomintang officials. It is not to be ruled out, however, that the Stalinists, in face of a tough and uncompromising attitude particularly by American imperialism, may be obliged to nationalize more foreign enterprises than was their original intention.

Such measures, taken to protect the political rule of the Stalinist regime, are not to be identified with a social revolution. Only the unleashing of all the seething forces of agrarian revolt embodied in the masses of the poorest peasants combined with the vast initiative of the Chinese working class and under its leadership can overturn capitalism, unify China and expel its imperialist oppressors. But if the living forces of the revolution are restrained and crushed, then the old, reactionary rot must return. It will revive on the countryside first where capitalist property relations are most deeply rooted. But it will not be slow in reappearing in the cities where the workers have been shorn of political power. The few score or even few hundred Moscow-trained Stalinists are hardly enough to administer the vast political apparatus in China. Where will Mao and Co., who hate and fear the proletariat, find the personnel to man the government except among the very elements who constituted the official bureaucracy of the Kuomintang?

Twenty-two years ago, the capitulation of Stalin and his agents to the Kuomintang saved Chinese capitalism. Today, ironically enough, the Stalinists are performing the same role against the opposition of the Chinese capitalists. They are overthrowing the Kuomintang but not Chinese capitalism. A political not a social overturn is occurring in China in which the Stalinists have utilized agrarian reforms and a minimum of social revolutionary measures to bring them to power. But since the Stalinists are neither the legitimate representatives of capitalism nor of the proletariat whose interests they have betrayed time and again, their rule can only be transitory, an interim stage in the development of the class struggles in China.

The Stalinists can remain in power only until world imperialism—perhaps with an agreement with the Kremlin—frees its hands in the West to once again reorganize the forces of capitalist reaction in China; or until a new upsurge of the proletariat takes place under the leadership of the Chinese section of the Fourth International in alliance with the great peasant masses. Those remain the only basic alternatives for the Chinese revolution. Whatever its duration and its vicissitudes, the Stalinist rule is nothing more than a caretaker regime for one or the other.

DOES THE MAJORITY PREVAIL?

There is more than an even chance that the Taft-Hartley Law will still be on the books when Congress winds up its business for this session. It is certain that the law will still be a hammer over the heads of the unions when they enter negotiations with the corporations. But even in the outside case that Congress does act before adjournment, it is no rash prediction to say that the new labor law will be only a modified edition of Taft-Hartleyism.

This may come as a shock to many people who took at face value the election estimates of liberals, labor leaders and social democrats. They had been led to believe that the Truman victory was a "triumph for democracy." Although there was more than a little exaggeration in so describing the election of a run-of-the-mill Democratic hack, capitalist democracy has actually been put to a laboratory test in the reaction of the new Congress to that election.

If ever a single issue dominated an election, it was in 1948 and that issue was Taft-Hartleyism. Repeal of the law was a major plank in the Democratic platform. Truman's majority, obtained above all by the intervention of the unions, was a clear mandate for repeal, and so it was universally recognized. Conversely the stunning defeat administered to Republicans and Dixiecrats was considered a defeat for Taft-Hartleyism. The majority had expressed its will and now Congress would act accordingly, repeal was a formality which would be disposed of in short order. That was the general expectation, that—we were lectured—was the democratic process.

But Congress had different ideas about democracy. First came months of stalling by Republicans and Dixiecrats whose transparent purpose was to keep the law in effect until the pending negotiations in the mass production industries were completed. Then using their mechanical majority in Congress, in clear opposition to the majority which was recorded on November 2nd, they forced the debate to revolve around a bill they frankly avowed was different from Taft-Hartley only in name. The Truman Democrats, representing the majority of the electorate, were drawn by no means unwillingly into this game. Their main object was to achieve a "compromise" with the very coalition which had been so decisively defeated at the polls. The upshot, as is known, has been a stalemate and Taft-Hartley remains law. Thus has "democracy triumphed."

The election and its sequel in Congress cannot be understood except in the light of the class analysis of Marxism. The great issues in modern society are not decided at the

ballot box but in struggle between the two contending classes. Congress, a shadowy reflection of this reality, expresses the relative strength of the classes and ratifies decisions already made in the class struggle.

The huge labor vote last November demonstrated an unmistakable desire to destroy Taft-Hartleyism root and branch. It was, so to speak, a promissory note to be realized only in more direct forms of mass mobilization. But between the masses and their aspirations stands a conservative labor bureaucracy, which directed that vote into capitalist political channels and which still exercises firm control over the labor movement.

Green, Murray, Reuther, Dubinsky and Co. have never been opposed to Taft-Hartleyism as such, that is to the essential features of the law which bind the workers' freedom of action in government chains. This was quickly revealed by their precipitate capitulation to the Sims "compromises" providing for the use of injunctions in major strikes. Again in Green's approval of presidential authority to seize struck plants. And again in the AFL Executive Council's rejection of Lewis' proposal to smash the law by boycotting the anti-labor NLRB.

What irks these labor lieutenants of monopoly capital most are the provisions of the law which restrict their privileges and curb their power over the workers. The AFL moguls are concerned primarily with the closed shop, the *sine qua non* for their lucrative job trusts. Their CIO counterparts want a more favorable NLRB setup where they can eke out a few concessions and build up dues-paying membership without resorting to strikes. For the rest, they are favorably disposed to every device which will conciliate and hamstring the workers' struggle.

Why mobilize the workers in great demonstrations or strikes to achieve such "reasonable" ends and run the risk of "angering the reactionaries"? Give and take and an inclination to compromise would settle everything. But precisely the opposite has occurred. Emboldened by the craven attitude of the labor bureaucracy, monopoly capital quickly recovered from the shock it had received in the election. The Tory coalition seized the whiphand with none to oppose them but comic-opera heroes like Douglas and Humphrey. Under its unceasing pounding the labor leadership cracked and their "Fair Deal" friends wilted.

Will this wretched game be played out to a pathetic finish? It is folly to expect a last-minute miracle from the Congressional circus. The tide can be turned on one condition: that the great organized masses seize their recreant leadership by the scruff of the neck and order them to run up the banner of "No compromise! No political trading!" over a mighty movement to nullify the infamous anti-labor compact. The resolution of the Greater Detroit CIO Council calling for a one-day "Labor Holiday" and a Congress of Labor is a good beginning. May it sweep through the ranks of labor!

THE RANKS BEGIN TO STIR

On the morrow of the Truman election victory when the trade union bureaucracy appeared to be at the very pinnacle of its strength, the National Committee of the Socialist

Workers Party declared in a resolution adopted at its meeting of December 26, 1948:

"The present boom . . . rests on shaky foundations and must give way either to a devastating economic crisis or a stepped-up drive toward an all-out war economy. In either case, the living standards of the masses will be under attack. Once the economic basis for social reforms is undermined it will weaken the ground for mass support of the class collaborationist policy of the labor bureaucracy. . . . Radical changes in the relationship of forces within the unions await the next turn in the economic conjuncture."

The prognosis is being rapidly confirmed. Declining production and lengthening unemployment rolls are throwing the shadows of depression across the land. The whole structure of class collaboration is being weakened by the threatening crisis. Truman's promises of sweeping reforms already sound like an echo from the distant past. The stiffening policy of the corporations, particularly against working conditions, is generating a new surge of militancy and combativity in the ranks of labor. This altering situation is jolting and threatening the bureaucratic stranglehold of the labor lieutenants of the monopolies for the first time since the movement against the "no-strike" pledge in the auto union in the closing months of the war. Revolt among the seamen against witch-hunt proposals of the leadership of the National Maritime Union and the strike against the speed-up in the Ford Empire, forced upon the Reuther bureaucracy by the irresistible pressure of the workers—both events show how quickly the "turn in the economic conjuncture" can result in "radical changes in the relationship of forces within the unions."

The strike against the Ford Motor Co. is a body blow to the whole strategy of the top leadership of the UAW. For a number of years, its class-collaborationist methods could be summed up in the trading of working conditions for a few paltry economic concessions. They tacitly encouraged the corporations in the inhuman pace assembly lines have been pushed. Reuther himself wrote an agreement with General Motors which in effect was a green light for the speed-up. Growing clamor of the ranks for action against this universal evil elicited a cynical statement from the four top leaders of the UAW, only last January, that charges of speed-up were untrue and circulated for ulterior purposes by "Communists, Trotskyites and free-booting opportunists."

Yet five months later, Reuther has been forced to authorize an anti-speed-up strike. Why? Ford's charge that the strike was caused by "internal union politics" contains a certain grain of truth. The Reuther machine, so carefully and seemingly so solidly constructed, broke up almost overnight in the huge Ford local under the hammering of the rank and file. The local leadership, swept into opposition, ceased to be a barrier to the flood-tides of insurgency. After a few unsuccessful efforts, Reuther saw that he could not continue to resist this movement without jeopardizing his bureaucratic control over the entire union. The alternative—there was no other—was to head the strike in the hope of beheading it. Regardless of the outcome, the struggle at River Rouge shows the shape of things to come.

The bureaucracy is no longer the unchallenged master of the house of labor.

Nowhere has this been more clearly demonstrated than in the NMU. Lifted into power by mass opposition to the bureaucratic regime and treacherous policies of the Stalinists, the Curran leadership misread the union election returns as a mandate to consolidate arbitrary machine control and to stamp out all criticism and opposition. The climax came with the introduction of a series of amendments by the National Council, a compendium of all the "thought control" measures in effect and much that is still in the drafting stage, ranging from the Truman loyalty order and the Taft-Hartley anti-Communist affidavits to the Maryland Ober Law and the Mundt-Nixon Bill. The revolt of the rank and file, which has voted overwhelmingly against the amendments in the major Northern ports, has been swift and decisive.

As in the UAW, but on a far more extensive scale, the pressure of the ranks provoked a deep fissure in the top leadership. Curran had counted upon the revulsion to Stalinism growing into a reactionary red-baiting opposition to a working class politics. Instead he has been left with a small diehard group of Southern officials, known as "Dixiecrats" within the union, while all other tendencies from simple militant unionists to dissident Stalinists and Trotskyists have joined in a broad progressive opposition to defeat the amendments. It is significant that the Stalinists play no leading role in either the NMU or the Ford struggle.

Growing discontent among the ranks of the seamen underlies the struggle over the amendments. The wartime boom ended first in the shipping industry. Between increasing shipment of Marshall Plan cargo in foreign bottoms and the transfer of American vessels to foreign and "Panamanian" registry, the U.S. merchant marine has been steadily dwindling in size. Thousands of seamen are plagued with long periods of unemployment. Meanwhile the ship-owners have stepped up their offensive against the union. The contract is ducked, evaded and violated in hundreds of ways. The NLRB has handed down an iron-clad decision declaring the hiring hall, the keystone of maritime unionism, illegal.

Faced with these worsening conditions, the Curran leadership has been the very essence of inaction, ineptitude, compromise and retreat. Its course has been directed against union democracy and not against the ship-owners and their government. The present revolt within the union is an indirect warning to the helmsmen that they face shipwreck unless they change this course.

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"Welfare State" and Depression

By JOHN G. WRIGHT

Growing economic difficulties of American capitalism are focusing attention upon that school of liberal economists who claim to have diagnosed the causes and discovered a painless cure for the ailments of capitalism. Prominent public figures head this influential trend of economic thought which draws its principal ideas and inspiration from the work of the late Sir John Maynard Keynes, English economist and former director of the Bank of England.

Three Keynesian converts, Edwin G. Nourse, Leon H. Keyserling and John D. Clark, comprise the President's Economic Council. In his major pronouncements and actions on economic matters, Truman has largely relied upon the analysis and advice of these men.

Along with a lengthy list of professors and a few liberal Democratic politicians like Chester Bowles, governor of Connecticut, top union officials like Walter Reuther, Dubinsky and others draw upon the Keynesians for arguments and rationalization for their policies in the labor movement. From Truman to the union bureaucracy, this grouping has been noisily promoting a newfangled, depression-proof capitalism under such labels as "welfare state," "regulated economy" or "mixed economy."

Saving American Capitalism, a compendium of articles by 25 different writers, ranging over a wide variety of topics, is a representative product of this school. (*Saving American Capitalism*, edited by Prof. Seymour E. Harris, Knopf, New York, 1948. All quotations not otherwise indicated are from this book.) The authors are primarily moved, not by any alleged discoveries in economic theory, but by fear of another major collapse of American economy and by concern over the people's reaction to such a depression. This is frankly admitted by Chester Bowles:

"The conviction that we cannot again accept a major depression is not a mere theory. It is a fact which will have a profound effect on our economic future. I have been face to face with it in every section of America. Today, our people are determined that we must not and cannot accept the economic waste and heartbreak that go hand in hand with depression; and with this new conviction, for better or for worse, goes the knowledge that if our private-enterprise system fails, other alternatives are possible" (p. 17).

This expresses a changed attitude on the part of self-avowed champions of capitalism. Not long ago, no defender of "free enterprise" would admit that crises were anything more than growing pains, annoying but quite in the nature of things, and even beneficial. Crises used to be discounted as incidental "overhead expenditures." With time, they explained, crises would tend to grow milder and eventually disappear as capitalism approached perfection.

The Specter of Depression

The mass revulsion against economic catastrophes of capitalism has compelled these American followers of Keynes to discard the old doctrine of predestined harmony and automatic progress. The advocates of a "welfare state" recognize the profound and lasting impact of the crisis of the Thirties on the American people who will

not passively await and accept the disastrous consequences of a new depression. They are no less troubled by the damage a new collapse would inflict upon the entire structure of world capitalism.

"Unless we perform surgery on our economic system, it will not survive," says Prof. Seymour E. Harris of Harvard (p. 4). All of the 25 authors are of course opposed to "surgery" that would remove capitalism itself, the central source of disease. What they want are safe-and-sane operations which will eliminate crises. That's the point of all their talk of "regulating the economy," "stabilizing demand," "adjusting monetary policy," etc.

We do not intend to follow these "unorthodox" saviors of capitalism through their many variations and disagreements. We propose to examine the more important basic tenets on which they by and large agree. They agree that crises can be abolished or at least, by counteracting their worst effects, "leveled off." They agree that economic life can be so regulated by government intervention and controls that, by manipulating "spending," demand can be adjusted to levels adequate for keeping the economy on an even keel. Flexible policies governing taxation, credit and the monetary system generally would play a central role in such government intervention. In this article we shall deal only with their doctrine of crises, reserving for later treatment other aspects of their rather elaborate system.

The Doctors Disagree

Wendell Berge, who had charge of fruitless anti-trust prosecutions for the Department of Justice, believes that monopolies create crises because they destroy free competition. "When competition is eliminated from a capitalist society, the system is in danger of breaking down. With competition, prices tend to find their fair level, and maximum production and employment result" (p. 203). If this is so, why did crises erupt long before monopolies appeared on the capitalist scene? Ironically enough, other saviors of capitalism once acclaimed the advent of monopolies as the antidote to the anarchy of free competition in which they saw the main cause of crises.

His colleagues disagree with Berge. Although they are hot for competition, they see nothing wrong in "bigness" as such, provided it is properly "regulated." But neither Berge nor his dissenters bother to explain just how monopolies can either be removed or effectively regulated under capitalism.

Chester Bowles pegs the whole matter on "the problem of spending and demand." He restates this basic Keynesian proposition as follows: "For every dollar's worth of goods or services, there is created one dollar of potential purchasing power. . . . If the level of production is to be maintained and increased all of money must be spent currently by individuals, groups and institutions. Otherwise, our economy will slip into a depression" (p. 20).

Associate Professor Lorie Tarshis of Stanford University uses the very same formula of total spending as a

sure-fire cure for depression. He admits, however, that "we cannot expect consumers alone to create the whole of the demand." The way to get around this obstacle is by increasing "non-consumer spending." "In short," he concludes, "in order to turn depression into prosperity, we must somehow get an increase in total spending or total demand. Perhaps we can operate directly on consumers' spending; if so, well and good. But if not, we must contrive to increase non-consumer demand—the total spending of firms, governments and foreigners. Failing in that effort, depression continues" (pp. 232-3).

In this entire volume of 367 pages, Prof. Alvin H. Hansen of Harvard is the only other writer who touches directly upon the problem of crises. But he denies what the others affirm. He refuses to be "complacent about the prospect of eliminating the boom-bust cycle by making desirable corrections in the structure of our economy; and it is not true that the correction of structural imbalances will prevent the onward march of the business cycle" (p. 221). In Prof. Hansen's opinion, technological advances by themselves give rise to the biggest disproportions, laying the basis for bigger and better busts. He is frankly pessimistic and appeals for a long-range "cycle policy." He does not say what this program should be but merely pleads:

"This means a program which can quickly be put into motion, highly flexible and subject to quick adjustment and change. It is this area that we are in danger currently of neglecting."

It is instructive to note that these healers of capitalism and builders of a "welfare state" begin by sharply differing on what it is they must cure. One says, get rid of the monopolies; others say, keep the monopolies but make sure they are "regulated" and that spending and demand are correctly adjusted; a third wants to achieve this by increasing non-consumer demand; and a fourth fears the effects of technological advances. In their thinking about crises, each singles out some isolated disproportion or set of disproportions generated by capitalism for which each offers one or another nostrum. But none goes to the heart of the problem, i.e., that crises arise from the contradictions of capitalism and the operation of its laws. This fumbling around is in the tradition of the bourgeois economists and politicians who have grappled with the problem of crises in the past—and with no more successful theoretical or practical results.

Manipulating the Credit System

For a long time it was believed that dislocations of monetary and credit systems, commonly observed during depressions, were at the bottom of the whole trouble. There followed all sorts of theories on and manipulations with currency emission, bank and credit regulations, etc., including the setting up of government controls, such as the Federal Reserve System.

All the while, it was overlooked that disturbances of the fiscal structure, stringency of money and credit and panics were primarily the effect and not the cause of convulsions. It was also ignored that crises erupted in times when credit was easy as well as when it was tight.

The organizers of our Federal Reserve System drew heavily on the methods and experience of European countries where similar government fiscal regulations had been applied; but they dismissed off-hand the fact that crises had already engulfed the best as well as the worst run banking systems. The Federal Reserve System showed its incapacity to prevent crises in 1921 and again in 1929 although it had been confidently proclaimed in 1914 that the boom and bust cycle had been forever abolished by this fiscal reorganization.

Naturally disproportions in economy are dangerous. But crises cannot be understood exclusively in terms of disproportions as is believed by all capitalist economists, including the Keynesians. They ignore the fact that economic life may be subjected to grave dislocations not only during depressions but also in times of prosperity. Such a threat to U.S. economy today is an imminent collapse of agriculture. The most sanguine believer in a "regulated economy" would concede that another agricultural collapse virtually assures a major depression. Yet the greatest period of peacetime prosperity previously enjoyed in this country unfolded amid the chronic crisis of agriculture in the Twenties. Far from endangering that boom, this grave dislocation actually supplied the basis for eight years of prosperity after 1921, although this chronic farm crisis helped, at a later stage, to undermine the economy.

Or take another set of "maladjustments." The fast-fading postwar boom evinced throughout highly inflationary tendencies, expressed sharply in the gap between wages and prices. Wages and profits showed an even bigger gap, which has unquestionably served to feed the speculative boom. Yet during the prosperity of the Twenties neither of these two disproportions appeared so pronounced, although profits soared just the same.

The one and the same disparity between wages and prices assumed in the Forties markedly different aspects than it did in the Twenties. So did the second disparity between wages and profits. The main reasons for both disparities in the Twenties came from the great increase in productivity by almost 40%, while wages and prices remained relatively stationary. Prof. Harris evidently ascribes this disproportion to a lapse of memory by the capitalists, for he writes:

"Failing to adhere to competitive principles, business absorbed a large part of the gains of technological progress. . . . This disproportion between falling costs, on the one hand, and relatively stable wages and prices on the other, was bound to lead to collapse." Let us add that the price-wage disparities, which Harris and his friends single out as the prime causes of crises, manifest themselves as chronically in depressions as in periods of upswing.

Let us now return to Mr. Bowles who offers the magic key to crises which reads: "For every dollar's worth of goods or services there is created one dollar of potential purchasing power," etc.

If this means anything at all it means that there is some direct connection between expanding production and the expansion of purchasing power. Expand production and you automatically get a more or less harmonious expansion of purchasing power, believes Mr. Bowles. This is a rather

pat conclusion, but what resemblance does it bear to the realities of capitalist enterprise?

"Every dollar's worth of goods or services" is not something mysterious. It is technically known as the *gross national product*, and the Federal Reserve Board has for years issued quarterly figures on it. Purchasing power, potential or otherwise, is fixed by *national income* over any given period.

On the other hand the overwhelming majority of purchasers—in the Keynesian lingo, "spenders"—consists of workers and farmers. Every child knows there is more money floating around in prosperity than during depressions. Perhaps it was on the basis of this kindergarten wisdom that Keynes, Bowles, Tarshis and the rest draw the conclusion that there is some direct and even harmonious relation between production and the purchasing power of the masses. Is it really so?

The Keynesians love to cite all sorts of figures relating to production and national income, but they sedulously refrain from comparing and analyzing them in the light of their own contentions. We shall have to take the trouble of doing it for them, much as we dislike to burden our readers with dry statistics.

In the first table are listed the latest available figures for the last three years (1946-48) and for purposes of comparison a typical war year (1944) and a typical depression year (1933).

TABLE I

GROSS NATIONAL OUTPUT AND MASS INCOME
(in billions)

(Source: Federal Reserve Bulletin, Nov. 1948—Apr. 1949)

Year	Gross National Product	Farm Income	Wages and Salaries*	Total for Farmers & Workers
1933	55.8	2.3	28.8	31.1
1944	212.2	11.9	114.7	126.6
1946	209.3	14.6	109.7	124.3
1947	231.6	15.6	120.1	135.7
1948	254.9	18.2	132.3	150.5

*Excludes employee payments to social insurance funds.

The income figures listed above are grossly overstated. No deductions are made for taxes. Included under the heading of wages and salaries are payments to military and "government civilian" employees as well as high salaried corporation executives and managerial personnel. On the other hand, giant farm enterprises are lumped together with the farmers. But even these doctored figures cannot hide the real state of affairs.

These columns of billions do show that mass incomes rise and fall quantitatively and *absolutely* with the expansion and contraction of available "goods and services." But what is decisive here is *how much* of the gross annual output are the workers and farmers able to buy with whatever money they may have in their hands. Are they able to buy more of the increased production as their own funds increase? Are they able to buy as much as they did before? Or less? Let us refer to this second table for the answer.

TABLE II

THE RELATION BETWEEN MASS INCOMES AND NATIONAL PRODUCTION
(Based on Table I)

Year	Gross National Product (in billions)	Farm Income	Wages and Salaries (in percent of output)	Total
1933	55.8	4.1	51.6	55.7
1944	212.2	5.6	54.0	59.6
1946	209.3	7.0	52.4	59.4
1947	231.6	6.7	51.9	58.6
1948	254.9	7.1	51.9	59.0

Purchasing Power Stationary

It can be seen that farmers in the present postwar period do not stand in the same relation to expanding production as do the workers. From 1944 to 1948 the farmers recorded a sizable gain in the share of total production they could purchase while the share of the workers remained unchanged or declined in the face of sharply expanding production. Worse yet, in 1948, when the national economy passed the quarter of a trillion dollar mark, the relative share of the workers was 51.9%. This relative share does not differ significantly from their position of 51.6% in 1933 when the country was at the bottom of the depression.

Even more shocking is the table's disclosure that the undeniable recent gains of the farmers have been canceled out by the sag in workers' purchasing power since 1944. As a consequence the *combined purchasing power* of the workers and farmers has been stagnating or declining since 1944, despite the sharply increased volume of production!

These comparative figures show that the direct and even harmonious connection which the Keynesians try to establish between expanding production and the corresponding growth of mass purchasing power does not prevail in real life. The crux of the matter is that *under capitalism, with the expansion of production, mass purchasing power tends to stagnate or contract*. Fluctuations may at certain times occur, particularly in agriculture, but these are episodic. Temporary gains, as the most recent experience confirms, are swallowed up in the further process of expansion.

Thus the actual connection between production and mass incomes is not direct and harmonious, as is glibly assumed; it is *an indirect and highly contradictory one*. More important still, their real relation discloses just the opposite tendency to the one claimed by the theoreticians of the "welfare state."

The disparity between expanding production on the one hand and the stagnating or shrinking ability of the masses to buy on the other, is just as grave as the wage-price disparity which Prof. Harris and others correctly find so calamitous. Or more accurately, both of these disparities flow from one and the same source. That is the grabbing of wealth and national income by the rich. It is not the masses but a tiny minority which invariably absorbs a large part of all gains—those accruing from technological progress from expanding production, as well as from price-gouging.

Despite this, the main disproportions which led to past crises continue to manifest themselves, such as the lag of wages behind prices, the shrinking of mass "spending power" in the face of amplified production, etc. Underlying all these is the cleavage of capitalism into private owners of the productive facilities on the one hand and the mass of the people on the other. So long as this basic antagonism remains, the boom-bust cycle cannot be averted.

When professors like Tarshis echo Keynes by insisting that "we must somehow get an increase in total spending or total demand," it apparently never enters their heads that they are not saying anything new but simply restating in their own species of jive-talk another chronic problem under capitalism. It is always "somehow" necessary to bring *consumption* into harmony with *production*, otherwise the boom-bust cycle recurs. But they ignore the fact that the groundwork for the bust is prepared during the boom, just as the bust "normally" prepares the soil for the next revival.

It is this boom-bust mechanism—and no other—that provides the "somehow" under capitalism in temporarily reestablishing a precarious balance between consumption and production. But the trouble today is that this mechanism of adjustment itself has broken down. As the experience of the Thirties has demonstrated, capitalism has now no way except through war to instil new vigor into its sclerotic organism. (In an article elsewhere in this issue Louis T. Gordon deals with this particular phase.)

Consumption and Production

The bankruptcy of Keynesian theoreticians becomes most abject when it comes to dealing with problems of consumption and production. They try to solve these problems, too, by "spending." Bowles, for example, divides the "groups in our economy" into three, to wit: business, government plus everybody else, "the American people themselves." *How* each group spends is really unimportant. *How much* each has to spend is likewise blithely dismissed. What is really important is that everybody must spend everything: "Although each of these three groups will change its patterns of expenditures from year to year, the total spent by all three must add up to the total income earned by everyone in the production of goods and services." (p. 21. Emphasis in the original.)

In the case of an isolated individual one might look upon production and consumption as different aspects of one and the same act. An individual is relatively free to consume more or less harmoniously as his own production rises and falls. But to view society as if it were a single individual or imaginary groups of individuals (Bowles does both) is to misrepresent economic reality.

To begin with, there is once again the decisive fact that the lion's share of the national income—and therefore of power to consume—invariably falls not into the hands of "all of us," as Bowles pretends, but into the hands of less than 5% of the population. Tarshis correctly includes this upper crust among the "non-consumers." The capitalists and their retainers could not possibly spend their entire share of the national income on themselves even by indulging in the wildest luxuries.

Not Bowles alone but all the Keynesians discuss national income in terms of "annual spending power," "flow of spending and its determinants," or "spending groups." But they never talk in terms of the real and highly contradictory divisions in our society which actually determine the income, and thereby the consuming power, of the various classes. The following table discloses what has been happening in the division of national income while these theorists discuss spending "all of it"—on paper:

TABLE III
THE SHARE OF WORKERS AND FARMERS IN
NATIONAL INCOME
(Same Source)

Year	National Income (in billions)	Farm Income	Wages and Salaries (in percent)	Total
1933	39.6	5.8	72.7	78.5
1944	182.4	6.5	62.9	69.4
1946	179.3	8.1	61.2	69.3
1947	202.5	7.7	59.3	67.0
1948	224.4	8.1	59.0	67.1

The above figures show that the division of national income is weighted just as unfavorably against the bulk of population and in favor of the rich as in the previously examined relation between mass incomes and gross production. Although national income expanded from 1944 to 1948 at a somewhat faster rate than the gross national output (see Table II), the relative share going to workers and farmers did not rise appreciably in the same interval. On the contrary, it declined from 69.4% in 1944 to 67.1% in 1948, even though the farmers recorded substantial gains during this period. Ironically enough, the table also shows that the masses obtained by far their largest proportional share of the national income—78.5%—in the depression year 1933! This does not mean that they were better off then than now; it simply serves to underscore the tendency inherent in capitalism for the people's share of the national income to contract.

The panacea of "total spending" as a means of averting crises not only runs up against the fact that the mass of consumers are rigidly limited in their capacity to spend. It also flies in the face of the fact that, under the most favorable circumstances, *consumption must of necessity lag behind production*. Reserves are needed for the means of production, for fixed capital, etc. Replacements are required to resume production on a previous scale, let alone expand it. These reserves can, in the last analysis, come only from national income. This unavoidable lag between consumption and production has been understood by many conservative capitalist economists. But not by the "unorthodox" Keynesians.

Far from surpassing, as they believe, the older schools of capitalist economics, these followers of Keynes, the sage of Bloomsbury, relapse into errors long ago refuted by their predecessors. The German economist H. F. Storch, who criticized the French economist J. B. Say on this very point early in the nineteenth century, knew it was false to maintain that the national income can be or must be expended each time, let alone basing any policy on such a proposition.

Why is it impossible for the capitalist system, under

a "welfare state" or any other, to solve the complex problem of adjusting consumption harmoniously to production?

It cannot be done, in the first place, because production under capitalism is carried on only through its own specific and unchanging forms of distribution. As for consumption, it is determined by production and its dependent distribution.

Distribution is not so simple a matter as the Keynesians picture it. Far more is embraced by distribution than the allotment of goods to customers. *Before there is any distribution of goods produced, there is a specific distribution of the means of production.* Today the all-important fact is that these means of production are distributed exclusively among private owners and concentrated in monopolist hands. This capitalist type of distribution constitutes one of the internal and insurmountable barriers to achieving any lasting equilibrium between production and consumption. The disciples of Keynes disregard all this.*

As for consumption, capitalism here, too, injects its own forms of distribution (interest, profit, etc.) just as precapitalist economies, say feudalism, injected into consumption their peculiar distributive forms, (e.g., tithes, rent in kind, etc.). As a consequence, in our society where the means of production are distributed among private owners and where the goods produced are allocated and consumed not in response to social needs but according to the size of pocketbooks, both production and consumption are periodically brought to a standstill whenever "fair" profits are not forthcoming and whenever it becomes difficult to realize these profits in the shape of money-capital. Millions of jobless and hungry—basic producers and consumers—are living evidence of how self-destructive are these capitalist forms of distribution.

As the biggest obstacle of all to a harmonious relationship between production and consumption there is exchange, which stands, under capitalism, as the intermediary between production and its dependent distribution on the one hand, and consumption on the other. The planlessness of production finds its crassest expression in the anarchy of the market. Each individual capitalist as well as each giant corporation produces independently of the others for an unknown number of buyers, never knowing whether his products will be found socially useful. Not until his products enter the market can he tell whether

*What about government control? Can't this alter the nature and consequences of such a form of distribution of the means of production? Even government-owned industry, as in England, does not basically change such a distribution because the stateized sectors continue to operate for the benefit of private owners. As in privately owned industry, the capitalist claims for compensation, interest payments and the like continue to be the first charge on government-owned industry. It may make considerable difference to an individual capitalist whether he or the government runs a given enterprise, but it makes no significant difference to the capitalist class and the operation of its economy. Besides, the 25 writers in this book all agree that government intervention must be limited to the minimum. (We leave aside for treatment in another article a detailed discussion of the role and limits of government intervention in economic life.)

his capital will be realized or expanded. The highly complex transactions bound up with this form of exchange are governed by a set of laws which the capitalists themselves must submit to. These laws cannot be changed or controlled by any amount of tinkering.

To sum up. Much the same situation prevails in production and consumption as we previously noted in the relation between mass incomes and expanding gross output and in the relative share of the mass of the people in national income. In each instance the needs of the people are subordinated to the narrow interests of a plutocratic minority. Such a setup, as Marx and Engels long ago explained, cannot help but produce disparities, maladjustments and disproportions which culminate in periodic explosions or crises.

The founders of Marxism pointed out that in the sphere of production the tendency of capitalism is toward an absolute expansion of the productive forces without regard for the needs of consumption. At the same time, this absolute tendency to expand collides head on with barriers raised by capitalism itself.

Outcome of Blind Development

What the Keynesians are least able to grasp is this self-contradictory and self-destroying nature of capitalism. They try to reason as though "free enterprise" is a rationally conceived and consciously administered mode of economy. They further believe that any of its parts can be repaired and its functions regulated whenever something goes wrong. Capitalism, however, is not like a piece of machinery deliberately designed to meet the needs of society. On the contrary, from its elementary cell-form—the commodity—to its most highly developed form—finance capital—capitalism is the product of blind, instinctive activity carried on for many centuries by human beings. Like Topsy, capitalism "just grew."

No one thought up the commodity; it came into existence as an extension of direct barter which was itself destroyed by the growth of exchange.

Money was not devised by some ingenious contriver but was likewise produced instinctively, as the sphere of exchange in precapitalist societies broadened and deepened and commodities multiplied.

Capital itself grew out of the extension of commerce, first appearing historically in the form of merchants' capital.

As for the monopolies, no one set out to invent them either; they arose as an unavoidable outgrowth of free competition, completely dominating the latter. But monopolies are powerless to eliminate competition completely, just as competition itself is unable to abolish monopolies.

The outcome of this long historical process is the existing capitalist order with its accumulation of one set of contradictions upon another, one irrationality generating the next. Among the extreme expressions of this irrational state of affairs are—crises.

Irrationality of Capitalism

Everyone nowadays senses how paradoxical crises are, even those who are able neither to understand nor to explain them. How staggering indeed is the contrast be-

tween our progress in conquering the forces of nature and our seeming impotence to avert man-made economic catastrophes!

The Keynesians, taking cognizance of the irrationality of crises, try to "cure" them while leaving all the other irrationalities of capitalism untouched. They seek to straighten out one or another contradiction while preserving the biggest of all contradictions—the capitalist structure.

This enterprise is as absurd in theory as it is hopeless in practice.

The Keynesians find themselves unable to move a step beyond their predecessors in the field of economic theory. Essentially they do no more than paint up the "common-sense" notions of corporation lawyers and capitalist statesmen regarding the existing economic system. Karl Marx long ago solved the secret of how these "common sense notions" were arrived at.

He wrote that "*the reconciliation of the irrational forms, in which certain economic conditions appear and assert themselves in practice, does not concern the active agents of these [economic] relations in their everyday life. And as they are accustomed to moving about in them, they do not find anything strange about them. A complete contradiction has not the least mystery for them. They are as much at home among the manifestations, which separated from their internal connections and isolated by themselves, seem absurd, as a fish in the water.*" (*Capital*, Vol. III, p. 905)

Our 25 authors remain so blind not out of stupidity or malice. It is the end-result of their expressed starting point—their "common disposition to save capitalism"—and their complete immersion in the capitalist world around them. This world is made up of contradictory relations and those who accept it are forced to interpret the abysmally irrational as the height of human reason.

Capitalist Choice: War or Crisis

By LOUIS T. GORDON

The signing of the Atlantic Pact will undoubtedly be followed by a new lend-lease arms program. Thus the military sector of American economy, which has grown to an unprecedented peacetime level, will be still further enlarged.

If we are to believe the "responsible" press, this development is most regretted by the capitalist class. The front pages of the newspapers are full of lamentations about the huge amounts that "must" be spent for armaments in order to protect "democracy" against the Russian threat. However, we need only glance through the financial columns to realize that the wailing is all for public consumption. One industry after another is placing its hopes for sustained activity, directly or indirectly, on war production. Haunted by the specter of a new crisis, the American bourgeoisie is starting on a road that leads to war.

During World War II, many a bourgeois economist, seeing the writing on the wall—"capitalism is doomed if the experience of the Thirties is repeated"—endeavored to answer the question, how will America avoid unemployment and depression after the conflict?

"The core problem of democracy in the twentieth century," warns Leon H. Keyserling, of the President's Council of Economic Advisers, "is whether it can act without a crisis, for even as we by firmness in foreign policy avoid a clash of arms with totalitarian forces *there remains the ideological conflict competing for the minds of men and the decisions of whole peoples.*"

But can a crisis be averted? For a long time the apologists of capitalism have been ridiculing those who predicted a postwar crash. Let us not "think ourselves into depression," they said. The obvious corollary is that by the same mental process we can steer ourselves away from a depression. To this "psychological" approach Marxists have always counterposed a scientific analysis. The causes

of crises are to be sought not in the minds of people but in the process of production.

Capitalist crises of overproduction, Marx pointed out, are inseparable from the capitalist system. As long as this system survives, crises will keep recurring. Capitalist production tends to develop the productive forces of society unlimitedly while the consuming power of the masses is narrowly restricted.

The aim of capitalist production is not to satisfy the needs of the consumers but the realization of profit. Use values are produced to extract surplus value. If consumption were the purpose of production, there would be no danger of overproduction since the needs of the people are far from met, but the overproduction that looms is one of commodities and of capital. These include both expanded productive means in the form of capital and things produced for mass consumption. "Too much" has been produced as soon as more commodities are available than can be sold in the market. At the same time, there is "too much" productive capacity to find profitable outlets for capital.

Yet, although the motive of capitalist production is primarily for profit, ultimately what is produced must be consumed. Means of production serve to produce both capital goods and consumer goods; but, in the last analysis, when the market for consumer goods is glutted nobody buys the means of production required to produce them, or to enlarge the productive apparatus as a whole. *The more the productive forces grow the less are the masses relatively able to absorb the increased production.*

"The last cause of all crises," Marx pointed out, "always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way that

only the absolute power of consumption of the entire society would be their limit."

This has nothing in common with underconsumption theories. Marx explicitly demonstrated that the problem cannot be solved by increasing wages, which generally rise in the period preceding the crash. He explains the laws of capitalist crises as follows:

"The crises are always but momentary and forcible solutions of the existing contradictions, violent eruptions which restore the disturbed equilibrium for a while. . . . *The real barrier of capitalist production is capital itself.* It is the fact that capital and its self-expansion appear as the starting and closing point, as the motive and aim of production; that production is merely production for capital and not vice versa. . . . The means, this unconditional development of the productive forces of society, comes continually into conflict with the limited end, the self-expansion of the existing capital."

America's Productive Apparatus

Is there danger of overproduction of goods and capital in the U.S.? Let us look at the facts.

America's peace economy was unable to overcome the 1929 depression. Production never reached the 1929 level until the war. In 1937 it was 92.2% of the 1929 level, but in 1938 it went down again to 72.3%. There was limited unemployment in 1929 but in the succeeding years it reached enormous proportions. 10 million were still unemployed when the war started. Moreover, the capitalists' efforts to reduce production costs in the Thirties led to an immense increase in production per man-hour.

"Fewer people, working shorter hours," we read in an official publication, "produced substantially more goods and services in 1940 than in 1929. This was possible because of continued improvement in efficiency through the greater use of labor saving devices and techniques."

"Over the 12 years 1929 to 1941 the nation's output per man-hour of employment increased 34%. This was at the rate of 2½% per year compounded." (*Post-War Markets*, Bureau of Foreign and Domestic Commerce.)

Only as a result of the war was the U.S. able to get rid of unemployment and put to use the entire productive machine. During the war America's total plant increased by almost 50%, as did productivity although to a lesser degree. This dual process continues apace. The general manager of the National Machine Tool Builders Association told the *N. Y. Times* that World War II production equipment has been "rendered completely obsolete" by the new types of equipment now available. He added that "approximately one-third more production can be secured on the average with new machines designed since the last great war. It is probably safe to say that American industry could increase its output 50% by studying its weak points and by replacing the equipment which can no longer compete with what the machine tool builders are putting out today."

It is true that this improved equipment is not yet in general use but it is being installed as plant construction and modernization continue. In the President's 1948 mid-year economic report it was pointed out that a change had

occurred in the pattern of plant and equipment outlay. Whereas "during the first stages of reconversion," it says, "the intense pressure to replace facilities and to restore civilian output took precedence over the introduction of innovations [now there is] increasing emphasis on cost reduction and on the substitution of new products and techniques."

Under capitalism, however, technical progress does not benefit the workers. On the contrary, it raises technological unemployment to new heights. A new crisis would hasten the general introduction of the most efficient machinery and productive methods, thus boosting unemployment to the tens of millions who could not be reabsorbed into capitalist industry.

The Home Market

The very hugeness of the American productive machine constitutes its weakness. Can markets be found to absorb this colossal production?

Foreign trade is undoubtedly not the solution. The Marshall Plan has been unable to maintain American exports at postwar levels. Furthermore, as Europe's production increases it competes with America's in the markets of the world.

Consequently, most of America's production will have to be absorbed at home. Will this market be large enough? The wiser heads of the bourgeoisie know that it will not. "America has the biggest production machine the world has ever known," reads an editorial in the *U.S. News and World Report* (March 1, 1949). "That machine can produce more goods than the American people can consume, even allowing for an increase in population each year and increased demands for goods resulting therefrom."

Reconversion was carried out in this country without major difficulties. But this postwar boom had exceptionally favorable circumstances. The extraordinarily large demand accumulated during the conflict and the good condition of American agriculture all helped to create a market for production. It did not take too long, however, to fill the gap. Dangerous inventories soon began to accumulate in spite of government expenditures. And far from keeping up with the increased production, the consuming power of the masses diminished; prices skyrocketed and mass incomes after taxes shrank; real wages have been declining steadily. Keyserling sounded the alarm warning that consumers were able to buy the portion of national output available for their use only "through drawing upon wartime savings and increased use of credit (which cannot go on forever)."

At the close of 1948 virtually only metals and automobiles were still in strong demand. And this is hardly insurance against a setback. It is well known that demand for durable goods is strong even when the boom is about to terminate. In the last few months, demand for cars and metals has been declining. The *N. Y. Times* reported recently that "for the first time since prewar days steel plants are being closed now because demand is dwindling." If the rearmament program doesn't come to the rescue, it is obvious that production will continue to fall not only in steel but all along the line.

The latest developments have not come as a surprise to the American capitalists. The depressed condition of the stock market has been the surest indication of their lack of faith in a continuing boom.

Is there any remedy under capitalism for the over-expansion of the productive forces and the dangers it causes? There are of course still those in the bourgeois camp who believe that the cycle should be allowed to run its course. Their conception was clearly expressed in the *N. Y. Times* by H. Collins, who holds that "recessions are not merely inevitable but desirable—that they are natural correctives, made necessary by earlier excesses of one kind or another."

Others believe, following the ideas of the late J. Maynard Keynes, that crises can be averted if the government intervenes vigorously and engages in large-scale spending. One of their leading exponents in this country, Alvin H. Hansen, proposes a fiscal policy to offset the "fluctuations" of the prosperity-depression cycle. He advocates an increase in public expenditures and a reduction in taxes during depression and a reduction of public expenditures and an increase in taxes when there is "excessive boom."

Government spending would maintain full employment and swell the consuming power, while "leaving private enterprise its appropriate field of action," as Seymour E. Harris put it. But to achieve this result would not be altogether easy. Hansen asserts that a "fatal defect" in New Deal spending of the Thirties was its "hand to mouth character." During the war he recommended, to avert a postwar crash, a comprehensive economic development program conceived "in bold terms" which "should be nothing short of a plan to rebuild America over the next two decades, to develop her latent resources, to increase her productive power."

And what is the bourgeoisie asked to give up in order to enter this ideal capitalist paradise without "business cycles"? It is admitted that to avoid the slump they would have to sacrifice profits during the boom. In the long run, however, they are reassured, it will be for the best. Here is this capitalist utopia as pictured by Hansen:

"In a society operating at continuously full employment, it is not probable that peak-prosperity profits (in 1925-29 approximately twice the average for the entire period 1925-40) could indefinitely be maintained. . . . They would be *caten into*, partly by competitive price decreases benefiting consumers and partly by the pressure for higher wages which invariably occurs in industries making large profits."

Yet, says Hansen, over the whole cycle the magnitude of business profits would be greater. This perspective cannot be very luring for a capitalist who wants to make as much profit as he possibly can during the boom, profit he will never give up for a promissory note that his sacrifice will help avert the crisis.

A utopian capitalist society without unemployment and crises, where the government spends tens of billions of dollars for "human betterment," for social security and schools and slum clearance, may look attractive on paper but it can never materialize. The quack doctors who advocate it begin from wholly unreal premises. They ignore

the nature of the bourgeois state and capitalist society as a whole; they disregard the class struggle and the role of the industrial reserve army. Is it surprising then that their conclusions are viewed with such utter disregard by the American bourgeoisie?

The Rearmament Program

"If prospects for peace had improved," says Edwin G. Nourse, Chairman of the President's Council of Economic Advisers, "or even not grown worse, through 1947 and 1948 our ability to adjust our economy to the requirements of sustained peacetime prosperity would progressively have been put to the test in one industry after another as each passed from a condition of scarcity to one of abundance, from a sellers' market to a buyers' market—or true competitive enterprise. *If the practitioners of communism had not thrust us back into the danger of war, we would soon have been thrust forward into the difficulties of peace.*"

We might ask whether the direct opposite was not true, whether the practitioners of "free enterprise" seeking to escape from the "difficulties of peace" thrust America back into the danger of war. In any event, the problem confronting American capitalism cannot easily be solved even by resorting to large outlays for armaments. "Even with an armament economy," asserts the *U.S. News*, "there is a surplus of goods in producing countries like the United States."

If a rearmament program is to avert the unfolding of the crisis, it must create a substantial enough sector in the economy producing goods not subject to ordinary demand. Rearmament must proceed on a scale to benefit not only the manufacturers of the goods directly involved, but the economy as a whole as a result of the new purchasing power created. Only a full-scale war economy would achieve this.

Such a sector does not exist at present. Total government expenditures (including the Marshall Plan and the preparedness program) account for only 14 percent of the gross national output of almost \$255 billion. The scheduled armament program of about \$16 billion a year, or even a larger one, would not place too heavy a burden on the economy—although its damaging effect on the standard of living is well known. However, it would also be too small to alter the economic trends, especially now that private investment is falling. Yet America will spend for armaments in 1950 more than twice as much as in 1941, when the country was preparing for an imminent war and had already started lend-lease and Selective Service.

At the peak of wartime production, the U.S. spent annually for national defense about \$90 billion. Bearing in mind the subsequent development in the productive forces, the average annual increment of 600,000 new workers entering the labor force, and productivity growing by 2½ percent (figures which are likely to be surpassed in 1949), it can be readily seen that to be effective the outlays for military purposes would have to reach far higher figures than are now envisaged.

On the other hand, the U.S. emerged from the last war with an overburdened tax and debt structure which is increasingly difficult to manage. If war expenditures go

beyond the present level, either taxes will have to be increased or a still bigger debt will accumulate. Strict controls would have to be imposed—despite opposition from certain bourgeois circles—or the whole economy would be in danger of collapse.

The rearmament program will make the greatest demands not only on non-durable goods industries, where supply has already caught up with demand, but on heavy industries which have just started to catch up. Steel production, for instance, is insufficient to simultaneously meet heavy civilian and military needs.

Burden Will Fall on Masses

A war economy worthy of the name would mean heavy sacrifices for the American people. "Every citizen must recognize," said Edwin G. Nourse, "that further diversions of productive effort to military uses inevitably involves some sacrifices of civilian types of consumption. It is our particular application of the old alternative of 'guns or butter'."

The high productivity of American labor is still not high enough to meet both civilian and military requirements. That is why Sumner H. Slichter, a conservative capitalist economist, insists that the need for a rise in output per man-hour "is greater than ever."

Since the working people of America will have to shoulder the full burden of war preparations, since they will have to be made to accept a reduction in their standard of living, no real war economy can be started without the passivity and acquiescence of the powerful union movement. This is one reason why the whole propaganda machine of the bourgeoisie tries to surround the expenditures for military purposes with an air of inevitability and to prevent any questioning of their advisability.

Parallel with Hitler Germany

History records another case of a peacetime war economy carried to its ultimate conclusions—Hitler's Germany. The example of this country, where the workers

were enslaved, the problem of unemployment "solved" while the big capitalists reaped handsome profits, cannot but exert a strong influence on the American bourgeoisie. However, the situation in the U.S. now differs in several respects from that of Germany in the Thirties from an economic as well as a political point of view.

In 1933 Germany was still suffering from the depression. There were millions of unemployed and large unused plant facilities. Thus Germany could produce for war without reducing the output of consumer goods. She needed only to increase war production to the limit and slightly increase civilian production. As depression was the starting point, the transition to a war economy in Germany could be made without a still further reduction in the low living standard.

On the other hand there is still no huge unemployment in the U.S.; wages are relatively high; the great majority of the workers are producing consumer goods. Every unavoidable decline in the standard of living as a result of the war program will be doubly felt by the masses and sharply resisted.

There is also a difference in regime. The underlying reason for the "success" of the war economy of German capitalism was the totalitarian nature of the Nazi state, which enabled the government to rule the economic life of the country with an iron hand; to "regulate" and divert about 50 percent of production into war channels, and to suppress any resistance of the workers. The U.S., on the other hand, is still a bourgeois democracy and the working class has not been subdued.

American monopolist rulers face this dilemma: Either they do not divert into "preparedness" a substantial portion of the economy—and this would mean crisis. Or they embark upon such a war program which would ultimately result in class struggles on an unprecedented scale. Time to reach a decision is running short. The longer reconversion to a full-fledged war economy is delayed, the harder it will be to avert the crisis.

Road Ahead in Negro Struggle

By J. MEYER

In the April issue of *Fourth International*, we pointed out that the Truman administration had made an important shift in its attitude toward the Negro question. It had taken over from the radical movement the denunciation of jim crow. It had set out seriously to find a political base among the Negro intelligentsia—the "Talented Tenth." The capitulation of the Democratic Party on civil rights will not weaken, but will strengthen the drive to convert the "Talented Tenth" into stooges of the Truman administration and American capitalism. This policy is a maneuver of the administration but, as we stated in the last article, it is not a mere maneuver. It has deep roots in the past history of the country and in the developing social conflicts in the United States and the world at large.

Anyone who followed the details of the filibuster fiasco could not fail to have been struck by the hysterical conduct of Walter White, secretary of the NAACP. On the other hand, no less marked was the placid attitude of Lester Granger, executive secretary of the Urban League. Like the gesture of the administration toward social equality, these attitudes and the politics they represent were but reflections in the leadership of transformations which are taking place in the Urban League and the NAACP. They are the direct result of rapidly developing class forces and conflicts in the United States.

At a moment like this it is imperative to bear in mind the historical perspective. It must never be forgotten that the initial force which prepared the ground for the pro-

jection of Negro rights into the social and political life of the country was the proletariat through the organization of the CIO. It did this in two ways. First by the mere organization of this mighty movement of the working class, the proletariat struck such a blow at a bankrupt social system that it precipitated struggles in every section of the oppressed population. But more specifically the CIO itself undertook campaigns from above and from below to win the confidence of Negro workers in industry.

In Cayton and Mitchell's *Black Workers and the New Unions* can be read the epic story of, for example, the organization of the steel union. Here is one incident taken from an organizer's report: ". . . held a couple of bingo games and a dance all of which Negroes attended in force with their ladies. At the dance, held in the lower section of the city near the Negro district, there were no restrictions. Dancing was mixed, racially and sexually, whites with Negro partners. I danced with a Negro girl myself. Negroes enjoyed themselves immensely and there were no kicks from the whites. This lodge will soon have a picnic which will also be mixed."

From their side Negro petty-bourgeois leaders and advanced Negro workers also took the initiative. Thus was accomplished the greatest work for the righting of wrongs to the Negro since the Civil War. Cayton and Mitchell are categorical: "*There is no doubt that the national officers [of the unions] were disinclined to make a serious effort to include Negroes in all of the union locals. (But) it is evident that the rank and file members of the union attempted to cope with the situation in a courageous and straightforward fashion . . . seldom in the history of the American labor movement has there been a more genuine and straightforward attempt by white workers to join hands with Negroes in spite of the supineness of their national officers.*" (p. 189.)

Together black and white workers inscribed a radical policy of non-discrimination against Negroes into the program and perspectives of the CIO.

But though progress has been made far exceeding that in any other section of the population, the CIO leadership has not carried out its promises. The Negroes themselves waited for a few years but from 1940 onward, with the March on Washington Committee, they have engaged in a series of magnificent struggles on their own initiative which have lifted their cause to the central position it now occupies in national politics.

Reinspiring this movement within the USA has been the demagogic propaganda for democracy which the American bourgeoisie was compelled to undertake in order to whip up support for its conflict with German imperialism. The "cold war" with Russia has not lessened but increased this demagoguery so dangerous to its proponents. The Negro question is an ulcer in the American internal organization which makes American bourgeois society vulnerable not only at home but over the five continents. When Wallace fastened upon the Negro question, the Truman administration realized that a new step was necessary. Roosevelt's platitudes and Mrs. Roosevelt's hand-shaking would no longer suffice.

But behind this projection of the Negro question into

the very forefront of national politics and international propaganda is a national awakening of tremendous sweep and scope.

During the past decade a series of writings on the Negro question by Richard Wright, Lillian Smith, Gunnar Myrdal and others has taken the country by storm. The liberal white petty bourgeoisie is mobilizing itself on the Negro question more than on all other social and political questions.

The roots of this go very deep into the past. Between 1830 and the opening of the Civil War, the petty bourgeoisie in the United States underwent a ferment on education, prison reform, women's rights, prohibition, and other good causes until finally its best forces concentrated on abolition of slavery. Today it is baffled by the perpetual threat of war; it is unable to orient itself clearly on issues such as the Taft-Hartley Act, which poses the problems of class conflict in their sharpest form; it is torn between its desire to defend democratic rights and the treacherous use of the concept of democracy by the Stalinists. But in civil rights for Negroes, the petty bourgeoisie sees one issue which is transparently clear. Here, it thinks, something *can* be done.

Today students on campuses all over the country from Texas to Maine are alive on the Negro question. Bryn Mawr and Vassar declare that they cordially invite Negro students. Howard University, Yale and Smith exchange social visits of men and women students over week-ends. The student council of Rutgers recommended that any honorary fraternity which practices discrimination be barred from the campus. The students at City College, New York, carried out a militant strike against anti-Semitic and anti-Negro members of the staff. Students at Pennsylvania State College threw picket lines around the town's six barber shops to secure haircuts for Negro students. Many Southern university white students deride the ridiculous regulations which segregate Negroes.

Activity of Middle-Class Liberals

Equally striking is the growth of new organizations and the militancy of old ones. We can mention only a few:

The Bureau for Intercultural Education, an organization of some years' standing, has successfully fought segregation in the schools of its home town, Gary, Indiana, the scene of painful demonstrations by white children against Negro children in 1945. It has branched out in Philadelphia, Westchester County, Kalamazoo, Battle Creek and Detroit.

On March 29th in Nassau County, Long Island, 1300 women jammed an auditorium to hear Mrs. Franklin D. Roosevelt speak on what could be done in Long Island communities to erase racial and religious prejudice. The press report vividly recalls similar meetings in the decades before 1861.

The YWCA at their National Convention in San Francisco in March made a serious attempt to integrate Negroes into the organization "as never before." Leo B. Marsh, spokesman for the program service staff of the Young Men's Christian Association, has issued a program

which would "revolutionize" the YMCA attitude toward Negroes.

Father Charles Carow, after fighting alone for three years in the American Bowling Congress against the exclusion of Negroes, has seen the fight reach a stage at Atlantic City this year where he says he can now leave it to the membership.

The South is not immune. Petty-bourgeois organizations of all kinds on Negro discrimination have sprung up with recent years. A "Legislative Assembly to End Discrimination and Segregation," under the sponsorship of Americans for Democratic Action, held a two-day "off-the-record" session in Washington at the end of February, with 1200 delegates from 28 states.

It would be a grievous error not to recognize in all this a powerful and sincere response to a long-standing and shameful social evil. It is by such stages that classes respond to the deepening social crisis. But the petty bourgeoisie is not homogeneous. It has no political method of its own but borrows either from the bourgeoisie or the proletariat. Unless the working class intervenes decisively, a petty-bourgeois upsurge from the very beginning provides an opportunity for ambitious demagogues and more far-seeing representatives of capitalism recognize the danger of allowing these movements to get into the hands of revolutionary Marxists.

This is precisely what is happening.

Fifty prominent Americans, including Mrs. Eleanor Roosevelt, Bishop G. Bromley Oxman, John Dewey and Pearl Buck, called upon the President to carry out the recommendations of his own Civil Rights Commission. Another group visited the President with a similar project. It included Herbert Bayard Swope and General Patterson, one of the highest ranking officials in the War Department during the war. Algernon Black of the Ethical Culture Society has organized a New York State Committee on Discrimination in Housing.

Mrs. Gardner Cowles, the Associate Editor of *Look*, accepts the chairmanship of the permanent Women's Division of the Urban League Fund with the statement that she proposes to "harness . . . professional women everywhere" to the drive. Perhaps the most significant aspect in the leadership of this whole nationwide movement is the role being played by Jewish organizations and the Catholic Church. The figure who symbolizes the politics of this stratum is Mrs. Roosevelt who does not hesitate to say that righting of Negro wrongs is in the forefront of the battle against communism at home and abroad.

When the Negro Levi Jackson was appointed captain of Yale's football team, the press hailed the event as if it were a second emancipation proclamation. *Life* did a picture-story on students at Howard, the Negro university. It commented on the similarity of attitude between the students at Howard and those at Yale. Presumably until the visit, *Life* believed or expected its readers to believe that Howard students had affinities with Atlanta and Sing-Sing. As for the films, no less than five pictures on the Negro question are now being made in Hollywood.

So, when Hubert Humphrey forced the civil rights plank into the Democratic platform last summer, when the Tru-

man administration and General Motors and Dupont make gestures to the Negro intelligentsia, these are not incidental actions but expressions of changing social forces.

This kind of bourgeois and petty-bourgeois political leadership is primarily concerned not with the Negro masses but with the Negro petty bourgeoisie. Let us observe the procedure of one of these Negro leaders, Lester Granger, executive secretary of the Urban League, during the recent filibuster. Early in February Granger informed the people of Los Angeles of the great progress that was being made in Negro-white relations in the country, particularly in the navy. He serves on a committee for the integration of Negroes into the navy and was able to report that now there were five Negro commissioned officers in that branch of the service.

When on March 1st several Negro organizations condemned the flagrant discrimination of the New York Board of Regents and opposed the proposal to transfer administrative control of the State University to this body, Granger said that the Urban League had not condemned the proposed transfer because "assurances from the Board . . . that the wants of minority groups will not be neglected will diminish anxieties."

The Best of All Possible Worlds -- for Granger

Granger reported on February 20th at the annual meeting of the Urban League in Detroit that there had been an increase in the number of people in the South who wanted bad conditions corrected. The situation in the South was made worse by the "scarcity" of good housing. There just weren't houses to go around. He had good words for the International Harvester Company in Memphis and the Ford Motor Company in Atlanta for hiring, upgrading and training Negro workers.

Nothing is more typical than his attitude toward the struggle over the filibuster. Senator Brooks Hays of Arkansas offered a compromise which amounted to little more than leaving the righting of Negro wrongs to the South. Granger described Brooks Hays as a scholar and a gentleman and a true statesman on the Negro question. He was the founder of the Urban League branch in Little Rock, Arkansas. The problem was whether the Negro leaders had the courage to accept statesmanship of the type exhibited by Brooks Hays.

One of his fellow-columnists in the *Amsterdam News* denounced the Urban League as being in the hands of conservative whites. Granger tolerantly invited him not to stay outside and talk but to join the organization. But Granger felt the sting of the charge that the Urban League was not concerned with the Negro masses. On April 30, he came back to the charge.

Mass action, he proved, was impossible. No such thing could exist. "The concept of 'mass action' by a group so diverse and split in so many ways as is our American Negro population—that concept is spurious." Some Negroes are businessmen, but businessmen are divided into successful businessmen and some who have the hope of being successful. (He leaves out those who are not successful, those who have no hope of being successful, and, in these psycho-analytic days, those who hope not to be successful.) He

gives a few more classifications and then concludes "... the list of variations and diversities could be extended indefinitely..." Therefore he asks: "How then is anyone going to make an appeal to 'the Negro masses'?" All this is taking place while the eyes of the country are fastened upon the struggle in Congress.

Inasmuch as there are no Negro masses to appeal to he has turned instead to white capitalists. In the April article, we showed that the Urban League is now the intermediary between General Motors, American Tel. and Tel., General Electric, Dupont, and the Negro intelligentsia, selected members of whom are being placed in unsegregated white-collar jobs.

A few months ago the Urban League in New York gave a great fund-raising ball at which Winthrop Rockefeller and party turned up with one of the best of the *Life* photographers. Rockefeller is a Republican. A few weeks later another fund-raising party for the Urban League took place, this time at the house of Mayor O'Dwyer, the Democrat. Mrs. Gardner Cowles was present with some of the "professional women"; among the participants was a Vanderbilt. The Urban League has found its place. It is the direct agent of the big bourgeoisie among the Negro people.

Walter White Attacks -- With Phone Messages

Very different was the picture presented by Walter White during the same period. When "the fight" began, we were informed by the press, White moved into Washington, to be on the spot. So a great general leaves General Headquarters and goes into the front line where the battle is being decided.

In his column in the *Chicago Defender*, White tells us how at the crucial moment in "the fight" 57 "key persons" from various parts of the country responded to the call of the NAACP and came to "buttonhole senators." Again during "the most crucial stages" of "the fight," it was imperative to telephone to "key persons" to let them know how their senators were betraying the cause. You get the impression of White personally telephoning to hundreds of "key people" all over the country. Finally White bitterly upbraided the treachery of the high command of the Democratic Party, the climax being a ferocious quarrel with McGrath, Democratic national chairman.

The frenzy of White is due first to the fact that the NAACP is a mass organization whose membership runs into the hundreds of thousands. It can be divided into two groups—the South and outside the South. In the South it is a militant organization. Countless daily actions of resistance, defiance and heroism are carried out by Southern Negroes under the banner of the NAACP. While its legal division has been winning cases giving Negroes the right to vote, Negro veterans with pistols at their sides organize and lead the voters to the booths and stand there to protect them.

But outside the South the NAACP, under the leadership of Negro lawyers, doctors, undertakers, teachers and the rest who ran it in the old days is now outmoded in

many areas. In Detroit, for example, where there are nearly 50,000 members on the books, not one monthly membership meeting was held during the whole of 1948.

These organizations do little or nothing because, owing to the shift in class relations in the Negro community and the high tension over Negro rights, if they attempted to do anything serious to carry on mass activity they would be overwhelmed by the Negro masses. The dominant social force in the Negro community of Detroit, for instance, is the Negro workers. Politically it is more sophisticated than the petty bourgeoisie—after years of experience in the caucuses of the unions the Negro workers understand more about politics than the petty bourgeoisie. There is the main basis for a militant mass organization above the Mason and Dixon line. But the national leadership is terrified of the perspective of mass organization and mass action. They are afraid of the masses and afraid of the Stalinists, although class-collaboration methods are by no means unacceptable to the latter.

White therefore put everything the organization had into lobbying, which is the traditional method of the NAACP. He failed miserably. He now has to face the NAACP convention in July at Los Angeles which must take stock of the bankruptcy of maneuvering with capitalist politicians. In this critical situation the Stalinists are moving in, and such have been their successes that the NAACP organ, *Crisis*, has published and reissued in leaflet form a special warning to the NAACP membership.

There is however one apparent road out for the NAACP leadership—collaboration with the labor bureaucracy. In Detroit, Walter, Reuther and his machine maintain close relations with the titular functionaries and leaders of Negro organizations. Negroes are incorporated into his bureaucracy as a matter of policy. Reuther and Philip Murray are on the national board of the NAACP. But its desertion of the fight against the filibuster demonstrated how unreliable an ally the labor bureaucracy is. Enmeshed in the machinery of the capitalist government and servile to capitalist politics, the top brass of the unions can be counted on for little more than lip-service in the struggle for civil rights.

A close alliance with the labor movement is a prerequisite for any real progress toward complete emancipation of the Negro people. To be effective, however, this alliance must be based on a program of mass action and independent working-class politics—that is upon a program diametrically opposed to the philosophy and politics of the trade union bureaucracy.

Fundamental Re-evaluation Necessary

At this moment it is necessary for the masses of the Negro people, as well as those who propose to lead them, above all to examine the past ruthlessly as the first step toward any new efforts. It should be obvious that a new stage has been reached. The old type of politics which guided the activity of the NAACP during the last ten years is a complete failure. The masses of the people are trying to reorient themselves. All are asking: what to do next? What fundamental changes are necessary for the development of a strategy that will not end in the

catastrophic and demoralizing results we have seen in the 81st Congress?

We must begin by taking a historical view, for both the past and the future of the United States are symbolized in the stage now reached in the struggle for Negro rights. The bourgeoisie is very well aware of the fact that all the social forces of the nation are involved, North and South.

Jonathan Daniels, editor of the *Raleigh News and Observer*, and National Democratic Committeeman for North Carolina, has recently given unimpeachable evidence of what is taking place in the South. "*Thoughtful Southerners*," he writes, "*know that even though reactionaries and old guard forces gain control here and there in the South, they are sitting on an explosive situation. The South is seething below the lid and a great liberal leadership will come out of the South.*"

His perspectives are absurd, a great liberal leadership can come from nowhere except out of the grave. But in his recognition of the fact that the country is once more in the throes of a crisis similar to that of the Civil War, this Southerner is perfectly right.

We can learn something by looking at today in the light of yesterday. In 1836-60 it was the petty bourgeoisie which took the lead in the social regeneration of the country. In the last crucial decade, 1850-60, it fought militant struggles and it battled over the return of fugitive slaves.

Individual states passed laws refusing to accept the compromises worked out in and out of Congress between the merchants of the North and the planters of the South. But even then, where so large a section of the petty bourgeoisie was radicalized in its own right, the battle for revolutionary and not reformist politics had to be fought.

It was fought by the Abolitionist movement. This movement had its origin in the slave rebellions in the South; it was sustained and kept on the revolutionary road by the free Negroes in the North and the escaped slaves; by great propagandists like Frederick Douglass; activists like Harriet Tubman and thousands of nameless ones who braved the dangers of escape; by men like Wendell Phillips, Garrett Smith and John Brown, men who would not compromise with the existing social order. They fought all attempts to turn the idealism of the petty bourgeoisie into channels of compromise and adaptation to purely parliamentary politics and maneuver.

A Historical Parallel and Its Lessons

Today nearly a century after, the size, social weight and importance of the classes and their political representatives are far different from what they were, but in their origins, their past and their growth we can see the broad outlines of contemporary policy. Today the petty-bourgeois upsurge has been the consequence not the cause of the intervention of the proletariat. The petty-bourgeois committees and organizations, YMCA, YWCA, the Jewish Congress, the Catholic organizations, the labor leadership, the demagogy of the Democratic left wing, their collaboration with the labor leadership, all aim at substituting themselves for militant proletarian struggle, at deflecting the petty-bourgeois masses and subordinating them to the politics of Truman and Humphrey. The fiasco of the

81st Congress on civil rights shows where that leads. The choice between the fat contented purrs of Granger and the screeches and howls of protest of White is no choice at all.

The militant Negro workers, the Negro petty-bourgeois intellectuals, the labor militants, the revolutionary Marxists have their task clear-cut before them. It is to perform in the twentieth century the task that the Abolitionists performed in the nineteenth—to struggle for a correct program of action and to prevent the revolutionary forces from being corrupted by reaction.

In the nineteenth century the petty bourgeoisie was a revolutionary class. Today it is the proletariat. If the Negro people in the North today are so developed that the bourgeoisie can find a caste, exemplified by Granger and White to do its work, on the other hand the Negro mass movement is infinitely more powerful today than it was before the Civil War.

If the mass of Negroes in the South before the Civil War, despite their handicaps could exercise so powerful an influence upon national politics, today, increasingly organized with white workers in the labor movement, they are a source of inexhaustible strength and inspiration to the struggle for civil rights.

If in the period of the Civil War, the interests of the Northern proletariat were only indirectly concerned with the defeat of the Southern slave-owners, today the proletariat is a national force, and the struggle for Negro civil rights is already quite obviously but one engagement in the great battle between labor and capital for the future of American society. By militant struggle for Negro rights, those who aspire to lead the Negro masses can play a powerful role in national politics. They can defeat the Stalinists and their perpetual attempts to use Negro wrongs for their own corrupt purposes.

A Strategy That Will Be Decisive

But to do this they must know where they stand, must orient themselves in relation to the class forces as they are today. With such an orientation the existing Negro organizations can have a great future before them. They can lead the struggle for Negro equality and win it in action; they can expose those who are seeking to corrupt the progressive impulses of the petty bourgeoisie, and best of all, they can stimulate the proletariat to enter upon the scene once more and resume the struggle on a far higher plane than in the great days of the CIO to which we referred earlier.

Once the strategic line is clear, tactics and concrete policy will not be difficult to work out. And that general strategic line must be: to fight the compromisers at all times without mercy; to bring the case above all before the workers, the fundamental revolutionary force of the nation; to adopt the methods of that social class which from its very position in society must carry the struggle through to the end; to win the collaboration of the most advanced elements in the country by militant mass struggle. The mere proposal to march on Washington in 1940 did more **than all the mighty efforts to elect Truman and the frenzied lobbying of Walter White.** We have to do in regard to the great masses of the people and organized labor what the

Abolitionists, what Frederick Douglass and Wendell Phillips did in relation to the middle class a hundred years ago in their struggle for the defeat of slavery and the transformation of the nation.

That is the task. All the energy, activity and sacrifices which will now be proposed as a cover-up for the failure

of the efforts of the last ten years will end in a still more disastrous failure unless a strenuous effort is made to take a fundamental position that corresponds to the realities of the Negro struggle in the politics of the country today. Without this we are doomed to the spoon-fed tail-wagging of a Granger or the futile yelps of Walter White against the kicks of an arrogant master.

A Study in French Centrism

By **PIERRE FRANK**

The pre-war period was marked by an implacable struggle by the Fourth International against centrist organizations, particularly against the London Bureau, the international center which was the meeting ground for groupings which oscillated between Marxism on the one side and opportunism or Stalinism on the other. This side of our activity was limited in the postwar period; the London Bureau disappeared and most of the former centrist organizations went out of existence. (The Independent Labour Party, the oldest of these and the most deeply rooted in the British labor movement, came to the conclusion that it no longer was a factor on the political scene in England.)

On the other hand, the postwar revolutionary crisis impelled the broad masses toward the old Social Democratic and Stalinist organizations. The problem of the building of revolutionary parties was posed at this stage in the form of the establishment of links between the Trotskyist organizations and the masses, so that as a result of common experiences they would be won over to the banner of the Fourth International.

The split between the masses and the leadership of the old organizations has begun in various ways but the Trotskyist organizations are still too weak to take full advantage of this development. Does that mean that there is room for centrist organizations? What would be their scope and their orientation? Such questions can only be answered by examining the situation concretely, country by country. The experiences on this point in France are quite specific, and while one must guard against drawing too generalized conclusions from them, they nevertheless are instructive in the building of a revolutionary party.

Following the "liberation" in 1944, the overwhelming majority of the working class and important sections of the middle class followed the Stalinist party. The remainder of the working class followed the Socialist Party which had wide influence among government employees and the middle class. As a result of the class-collaborationist policies carried on equally by the Social Democracy and by Stalinism, and then by the policy of the Stalinists after the formation of the Cominform and by the unbridled class-collaborationism of the SFIO (French Socialist Party), an important part of the middle class was thrown into the arms of de Gaullism and the old leadership began to lose its influence over sections of the workers and the middle class.

Confidence in the traditional parties has begun to wane. This process is quite advanced as far as the Social Democ-

cracy is concerned. It is less marked in the French Communist Party, the strongest of all Stalinist parties in Western Europe, which has at its disposal not only a huge apparatus but a large number of worker-militants who have been associated with it over many years of struggle and who enjoy considerable authority in the factories.

In this process of disintegration, the transformation of centrist tendencies into centrist organizations tends to germinate at the weakest points of the old organizations. Moreover the workers' groupings are still far more inert than the petty bourgeoisie; they react more slowly but with far greater consistency.

This is being very clearly confirmed in France. The allegiance of members and sympathizers of the CP to that party has always been much stronger than that of SP members and sympathizers to Blum's party. Up to now the Stalinist party has suffered only minor losses among its worker-members. During the early part of 1947 when the CPF was still in the government and supported the wage-freeze, some of its members went over to the Anarchists, specifically to the CNT, Anarcho-Syndicalist trade union federation, but the decomposition of this organization has been as rapid as its rise.

The bulk of the working class still follows the Stalinist party. One of the reasons for the absence of any broad development of a centrist organization was the "left turn" of the CP following the creation of the Cominform. Discontent with the policy of the CP is widespread and exists within the ranks of the party itself, where strong differences have been manifested to the position of Thorez, Duclos, Marty, etc. But these are widely diverse, politically and organizationally isolated from each other. Thus centrism assumes exceptional importance within the ranks of the CPF, embracing worker-militants who are under the pressure of a large rank and file but who, because of the policy of their leadership, are not permitted to carry on revolutionary activity corresponding to their own aspirations. Therein is posed the most important problem of centrism in France. Upon its solution depends the creation of a strong revolutionary party in France and at the same time the development of the class struggle in this country and therefore the development of class relations for an entire period in Western Europe.

What has already happened among the petty-bourgeois tendencies and in the ranks of the Social Democracy—while quite secondary to the above-mentioned phenomena—is not a matter of indifference. In addition the evolution of a

centrism, social democratic in origin and petty bourgeois in social composition, has been intimately connected with political developments in the *Parti Communiste Internationaliste* (French Trotskyists). As will be seen, the history of these groupings cannot be separated from the recent crisis of the French Section of the Fourth International, a crisis which is most clearly explained by the evolution of these centrist elements. It is a conclusive experience in this connection.

Before the Defeat of November-December 1947

Two closely associated tendencies took shape in the SP and split from it in 1947—*Jeunesses Socialistes* (Socialist Youth—SS) and *Action Socialiste et Revolutionnaire* (Socialist and Revolutionary Action—ASR).

Deprived of political rights in the SFIO the *Jeunesses Socialistes* began an orientation toward a revolutionary program which was most marked at their 1947 convention at Montrouge a Paques. Six weeks later when the first Renault (auto) strike occurred, they solidarized themselves with the strikers and were expelled by the SP leadership. Their political evolution, continuing in an autonomous and somewhat devious way, led them to consider fusion with the PCI, and on December 13, 1947, their national committee resolved:

The National Committee of the JS notes that the discussion and actions carried on with the PCI have demonstrated that despite differences there is fundamental agreement on revolutionary program between the two organizations.

Therefore there can be no serious obstacle to the building of a revolutionary party uniting the JS and PCI.

The National Committee takes note that the resolution adopted by the ASR defines in essence a political orientation similar to that of the JS and the PCI and that therefore it now appears hopeful that after thorough political clarification and discussion, the three organizations will participate in the building of a united revolutionary party.

Special note should be taken that on December 13, 1947 "no serious obstacle" to unification of the JS and PCI existed.

Action Socialiste et Revolutionnaire was belatedly constituted in the SP around Dechezelles, co-secretary of the party, C. Just and members of the Lyons organization after a split with Rous, Boutbien and others to whom we shall return later. At the Lyons Convention of the SP held in August 1947, the ASR protested against the expulsion of the *Jeunesses* but it was not yet politically prepared to leave the party. It was only later, at the critical point of the 1947 general strike, that the ASR broke with the SP adopting the following resolution on its position at its December 7th conference:

The only possible means for the abolition of the capitalist system and the institution of proletarian power and the building of socialism is the creation of a revolutionary party based on the class struggle.

Therefore the ASR sets as its goal the building of such a party and will issue an appeal for this purpose to all members and all organizations who agree on the following principles. . . .

Under the impulse of the great workers' battle then in process both tendencies were evolving in the direction of a clear-cut revolutionary program. Unification with the PCI was on the agenda of both organizations; it was posed more concretely in the JS than in the ASR because of the more heterogeneous character of the latter, but the problem was clear enough to its leading elements.

The defeat of the November-December movement, the trade union split organized by Blum and Jouhaux (reformist trade union leader) and facilitated by (the Stalinist) Frachon, the capitalist and government offensive, the rise of de Gaullism, gave rise to the attempts of the socialists to find new ministerial combinations, and to the extremely complex policy of the Stalinists.

The Stalinists Intervene

The Stalinists were not inactive in this situation. Their agents in the SP, gathered around the paper *Bataille Socialiste*, who had said nothing against the expulsion of the JS and had not carried on any campaign against the anti-labor policy of the party leadership and the socialist cabinet ministers, came into violent conflict with the Managing Committee of the SP on the issue of its pro-American and anti-Russian policy. They courted expulsion for the purpose of channelizing the discontent of the socialist-minded workers and of the left wing in the SP.

Soon after, what remained of the "left" in the SP, Rous, Boutbien and others—no longer able to remain silent or to freely desert to the leadership as was done by Marceau Pivert (leader of pre-war French centrism)—believed that it would be possible to circumvent the discipline of the SP by another device. In company with a number of journalists who proclaimed their independence from all organizations and with some figures from the literary world like Sartre and Rousset, they launched the *Rassemblement Democratique Revolutionnaire*, (Revolutionary Democratic Rally—RDR) a grouping without any programmatic basis, without any strict form of organization, without discipline, and above the parties. The aim of the operation was indicated in a pamphlet by Rous who advocated a policy of pushing the "third force" to the "left."

One would have thought that these two new "independent" groupings, one obviously pro-Stalinist and the other a transparent appendage of the "third force," would not have been able to exercise any powerful attraction on the JS and ASR. These groups had the merit of breaking with the SP on a class basis. They knew from their own experience the exact worth of the leading figures of the *Bataille Socialiste* group as well as those of the RDR.

But a third element intervened in the situation which arrested the development of the JS and the ASR. This was the crisis in the PCI and the role played in it by the former right wing of the PCI, the Parisot-Demaziere faction which led the party from September 1946 to December 1947. Under the impact of the defeat of the workers' movement they cast aside the revolutionary program and broke with the Fourth International. Confronted with this split, the militants of the JS and the ASR, still either immature

politically or confused, became disoriented and demoralized. Their progress stopped short and retrogression set in.

The Crisis in the PCI

How was it possible for this to happen to an old Trotskyist leadership?

The right-wing tendency in the PCI was not united by common political views (its members gave no evidence of precision in the formulation of their political positions and *La Verite*, under their editorship, manifested this, alas, only too often) but by a conception of building a revolutionary party which can be summarized as follows:

The Trotskyists have not grown in the past because of their "sectarianism" (meaning their attachment to a program which concretized the whole experience of the working class); it is necessary to be flexible; on occasion to put programmatic questions in the background; daily policy is not a question of principle; political skill is required to gain the leadership of a mass movement, which having been won can be directed toward certain ends. Some of them thought it possible to create this mass current by a vast superficial agitation, others by resorting to this or that conception or slogan which was popular on some occasion (such as the "Resistance"), others by creating a broad shapeless mass organization. (In essence, this conception is closely related to that of the Stalinists for whom the class is a malleable mass to be manipulated by an all-powerful apparatus.)

This is also the idea which pervaded the activity of the JS and the Dunoyer grouping in the SP. The left wing in the JS and the SP formed slowly, painfully and confusedly. But matters worsened after the split because of the substitution of a whole series of organizational maneuvers for genuine political struggle, resulting rapidly in mishaps, then in catastrophe.

Evolution of Socialist Youth

Jeunessees Socialistes, a very weak political organization, had an absolute need for an intense political life if it was to assimilate the program of the Fourth International. But instead and in place of that, at more or less regular intervals, Dunoyer gauged the "political consciousness" of the JS and set an organizational goal which according to him was to develop this consciousness. In the period which followed expulsion from the SFIO, a space of several weeks, there occurred a rapprochement with a Stalinist youth organization for the ostensible purpose of permitting the JS to have an experience with Stalinism; then activity oriented around the formation of "Committees of Revolutionary Regroupment" to give the JS an understanding of the need for a revolutionary party; and finally a rapprochement with the PCI in a joint electoral campaign in the municipal elections of October 1947 with a view toward fusion.

These youth, who should have been learning the revolutionary program by study and in actions other than an electoral campaign, were told to defend a program they did

not understand by hook or by crook before the working class. Heavy damage to the JS was caused by these organizational gymnastics. Still one could hope toward the end of 1947 that with the adoption of the above-cited resolution by the National Committee of the JS, the worst would soon be over.

At that time, Dunoyer told us that there was "no serious block" in the "consciousness" of the JS to fusion with the PCI, and one could be thankful for that. But when the effects of the workers' defeat made themselves felt, Dunoyer, and with him the "consciousness" of the JS, began to evolve. The same evolution and the same zigzags were manifested by the defeated leadership at the 4th Convention of the PCI and in the leadership of the ASR.

Instead of the building of a revolutionary party by unification of the ASR, JS and PCI on a program which would be fundamentally if not formally that of the Fourth International, we saw first a new turn in the leaderships of the ASR and the JS in the direction of the Stalinist *Bataille Socialiste*. They told us that involved in part in this procedure was the unification of those elements with a socialist origin which would later serve as a stepping stone for the building of a revolutionary party.*

This undertaking did not get very far because the leaders of *Bataille Socialiste* insisted upon an open attack against the PCI (which as was shown later would not perhaps have been unacceptable) and submission to the desires, big and little, of the leaders of the CP—which was hardly an attractive condition at a time when the wind had turned and was now blowing ever more strongly from the West.

The unification of the JS and the ASR which took place in 1948 was only a belated recognition of the existence of two leaderships over one and the same organization, or rather the vestiges of an organization. The ASR, thus unified, found itself on the horns of a dilemma: either to work for the building of a revolutionary party, as had been decided five months earlier and as was demanded by a tendency in its ranks grouped around comrades Dumont and Just—and that meant to seek a rapprochement with the PCI; or to abandon this perspective and, as inveterate centrists, to turn toward the RDR. The majority of the leadership, with the support of the ex-Trotskyists who be-

*At this point Demaziere sent a letter (July 31st) to the Political Bureau of the PCI in which he proposed:

"Review the question of organic unity with the JS and ASR, the tendencies closest to us. Such a unity, aside from its present uncertainty, no longer appears valid to me. . . .

"In its place we should favor and attempt to guide all partial regroupments: BS, JS and ASR for example, even on political and organic bases which would implicitly or explicitly exclude us."

Space is lacking to deal separately with the question of the unification of the JS and the PCI. At one time the right wing, feeling the ground slip from under at the 5th Convention of the PCI, wanted a spectacular unity with the JS in order to utilize them as a pawn in the convention in order to retain the leadership of the party. The intervention of the International was required to prevent this maneuver against the PCI.

trayed their party and their program, adopted the latter solution and decided to enter the RDR.*

Since then the ASR has virtually disappeared, its political disintegration proceeding apace. At a recent session of its central committee, after having expelled the tendency favoring the building of a revolutionary party in unity with the PCI, the majority divided into two sections, one for fusion with the Stalinist *Bataille Socialiste* in the "Socialist Unity Party" and the other which no longer has any other hope than to be the spark plug of the RDR. It is noteworthy that Dumont who a few weeks later was to be the spokesman of the revolutionary opposition at the Congress of the CGT (French trade union federation) was expelled from the ASR by Sautery who was to vote with the Stalinists on all questions at the same trade union convention. This incident speaks volumes on those who wanted to teach the Trotskyists lessons in political flexibility.

The Free Men

To speak of the RDR as centrist is a little less than exact. Traditional centrism, mixture of Marxist phraseology and opportunist practice, is far superior to the positions taken by the RDR. The first manifesto announcing this social democratic offspring begins by amending Marx: Its motto is: "Proletarians and free men of all countries, Unite!" Being neither proletarians, who are specifically designated, nor capitalists, this expression can only refer to what we in our Marxist language and stubborn sectarianism call the middle classes, the petty bourgeoisie.

The concept of classes is abhorrent to the RDR. According to the "free men" of the RDR there are entities above the classes and their struggles, and the most important of these is "the Resistance." Only a malicious Marxist would point out that the "Resistance" was almost universally divided and engaged in mortal combat along class lines (Yugoslavia, Greece) or was rapidly dividing along such class lines (France, Belgium).

Watching reactionary developments in France, a free man like David Rousset cries out: "No, the Resistance didn't want this!" One must have the brain of a free man to discover that one "of the errors of General de Gaulle . . . which has its roots in his social formation and in his political orientation . . . (is) to have understood the Resistance solely in the narrow framework of military action and intelligence." The capitalists and the militarists at their service are obliged to utilize the laboring masses in their wars in "the narrow framework of military action," to use the language of a "revolutionary democrat." This is no

*Within the PCI, Demaziere penned another letter (March 4th) in which he touted the virtues and the future of the RDR in dithyrambic terms: "The RDR slow in coming into the world seems to have quick success from its first days. My profound conviction is that it will experience considerable growth in the weeks to come and rapidly gain the adherence of several tens of thousands of members. It is a symbol, amidst the reigning confusion, attracting the bewildered millions of workers, intellectuals, petty bourgeois who do not want to choose between Truman and Stalin. . . ."

A decision of the top committee of the SP caused the departure from the RDR of Rous and Boutbien. The tens of thousands of members evidently did not come. The confusion remained.

error on their part. The capitalists know what a class is and they know how to exploit petty-bourgeois intellectuals for their benefit.

"Freedom" Within the French Empire

The national problem is also tackled by the RDR from the point of view of "free men" and not from the class point of view. Lenin pointed out the role of the proletariat in the struggle of oppressed peoples for independence; he also demonstrated in his study on imperialism that this force subjugated, not only colonial countries but small modern capitalist countries as well to the yoke of the most powerful nations. This tendency has been tragically unfolded to the extent that we now see Europe put on rations by the United States. But Lenin did not depend upon free men, especially on the kind who could free themselves from Trotskyism. In his letter of March 4, 1948 which marked his break with Trotskyism, Demaziere discovered that ". . . along with scarcity there has arisen new exploiting and privileged groups (middle men, speculators) who are completely unconcerned with the independence of their country."

Is it any wonder that there are dissertations in *La Gauche* (the name of the RDR paper which in itself represents a program in France) on the guilt of the German people? Of course they do not speak of this guilt in any specific sense. But who doesn't know that the technique of these "left" personalities consists in finding progressive meanings for the ideas the ruling class utilizes for its reactionary policy?

International tension is now obliging the free men to take a position. David Rousset has discreetly abandoned the pro-Stalinist position he had on the morrow of the "liberation."* He sees only "the geographic extension of the Russian system whose state form does not respect all the freedoms." (The terms used to describe the GPU regime are very cautious because he does not wish to burn all his bridges.) And he also sees America whose "strategic advance is essentially aimed at safeguarding, wherever it is threatened, a moribund economic regime which, however, is indispensable for its economy."

The RDR proposes a "constructive struggle" against

*On the morrow of the "liberation," Rousset made three brief appearances in the PCI where, before vanishing completely, his activity was limited to defending a thesis before the Second Congress which he presented under the name of Leblanc. Here are the essential passages:

"To the degree that the Soviet bureaucracy today finds itself obliged to prepare its defenses in anticipation of a third war, it must pose and achieve the socialist revolution abroad. The liquidation of the second world war has put an end to the theory and practise of the theory of socialism in one country in the eyes of the bureaucrats themselves.

". . . Soviet economic forces intervene directly in world affairs in the political form of the Stalinist bureaucracy. In the new phase we have entered, they represent the only real and effective guarantee of the socialist revolution in the world."

Since then, friendship with the USSR is no longer in vogue. In the recent period Rousset, along with Sidney Hook and James T. Farrell, supporters of the Atlantic Pact, and leaders of the Catholic MRP, was an organizer of the "anti-Stalinist," "peace" conference in Paris.

the Marshall Plan which consists in demanding from Wall Street an effective control over the utilization of American grants and credits by trade union organizations. To whom is Washington to give control over American funds granted to capitalist states? To Jouhaux or to Frachon? And for what purpose? Perhaps to build socialism? The free men are especially free in using any kind of formula which does not tie them down to anything concrete.

There is no lack of denunciation of "the old colonialism" by these personalities on the "left." They favor the right of the people to self-determination but within limits, that is within the French Union, or, to be more precise, within a genuine, democratic, revolutionary French Union. Provided that they take care to keep within these limits, the Vietnamese, the people of Madagascar and the Algerians will be entitled to complete self-determination. In other words, in place of the "old colonialism" our free men propose a new colonialism, democratic and revolutionary, which we suppose is to be enforced by the good capitalist Republicans.

Centrists and the Problems of the Class Struggle

The petty-bourgeois character of the centrist tendencies manifest themselves in many ways toward domestic problems. In *Drapeau Rouge*, organ of the JS, as in *La Gauche*, workers' demands far from occupying a primary position are only the object of afterthoughts. Only during the second half of 1947 was there a momentary effort in *Drapeau Rouge* to give more consideration to specifically workers' problems. The demands which they do put forward vary from issue to issue according to the editor of the moment. In June 1948, the RDR was at one and the same time in favor of the sliding scale of wages and for an increase in wages proportionate to the increase in productivity. Are they trying in this manner to satisfy all tendencies in the labor movement?

The centrism of the former right wing of the PCI and the leaders of the ASR and the JS is most completely revealed on the question of the united front. There was an entire period when the two old leaderships—Social Democratic and Stalinist—were united in opposing strikes, and when the initiative was in the hands of the working class which was restrained only with the greatest difficulty by these leaderships. The problem of the split in the workers' movement was not a practical question but, on the contrary, it was the slogan of the general strike which embodied the highest form of the unity of the workers' front. During this entire period our centrists, on every occasion and out of all contact with reality, agitated for the united front, going so far as to propose a "united electoral front" to the CP and SP in the November 1946 elections.

Following the defeat of the general strike, the initiative passed over into the hands of the bourgeoisie and it became necessary to rebuild the unity of the workers' front, to organize a working-class resistance which could be transformed into a victorious counteroffensive. Thus when the united front should have become the central axis of the policy of a revolutionary party concerned with elaborat-

ing a perspective for the working class, this slogan virtually disappeared from the platform of the centrists.

There has never been any lack of ambiguity on the character of the RDR, judging even from the conceptions of its supporters themselves. For some it is a formation based on a more or less precise program in competition with the existing parties. For others the RDR pretends to be a rally above parties for the purpose of opposing the other rally (de Gaulle) and, because of this, realizes within itself a united front of the masses. But since the masses have not decided to follow this kind of organization, the RDR cannot be anything else but a political formation, a sub-party without a precise program. It will neither achieve the united front nor contribute to its achievement. To the degree that it hinders the formation of the revolutionary party, it hinders the realization of the united front.

At a time when everyone knows that the dominant question in France is that of power, when de Gaulle and the Stalinists who influence three-fourths of the country, campaigning on the one side for a "strong state" and on the other side for a government of "democratic unity," the free men have nothing to say to the laboring masses on this question. Their approach to this question is possibly embodied in the proposal by (George) Altman [a social democrat] who, proclaiming his loyalty to the Republic (it is really touching), calls for "a rally of all the left forces in the country . . . with formal guarantees for the free expression of differences." This may appear somewhat complicated, this "revolutionary, democratic rally" which is itself enclosed within a "rally of all the left forces," seasoned with unrestrained rights for everyone to say everything and to do nothing, the total result being the well known old tale which is entitled: left bloc, popular front, tripartitism.

That is the essence of the program of the centrists. And for this purpose Demaziere proposed to the PCI that: "The revolutionary vanguard of which the PCI is a part should enter the RDR and play the game intelligently and thoroughly. In the prevailing state of disintegration and bewilderment in the workers' vanguard, some key values will help our militants find their way again. As for the rest we should withhold our views until there is sufficiently widespread activity which would permit us to make ourselves better known than in the past."

Free Men of All Countries, Unite!

The centrists have their peculiar way of being internationalists. Before the war, the "London Bureau" was the center for a number of political formations which met from time to time, exchanged fraternal greetings, adopted vague resolutions, but otherwise felt no common bond whatever. The war put an end to this Bureau and most of its affiliates.

The split of the right wing from the PCI occurred on the eve of the Second World Congress of the Fourth International. They parted company with the Bolshevik Leninists in more than 30 countries in order to unite with the free men of the editorial board of *Franc Tireur* and the Flore cafe. This done, Demaziere, Dunoyer and company announced that they were prepared to remain within the Fourth International on the condition that the latter would be content to receive occasional reports of their activity in the RDR—in other words on the condition that the Fourth

International would take the place of the defunct "London Bureau."

But since there were Ceylonese, Uruguayan and even French Bolshevik-Leninists who had no stomach for this international with the "new look," it became necessary for the ex-Trotskyists and their associates to clear their conscience by devising some form of internationalism. This did not prove to be difficult. "A movement not bound to any system, any regime, any doctrine" (Altman pontificated) should have no trouble finding other free men beyond the frontiers and the oceans who are similarly free and similarly uninhibited by doctrine.

If rumors are correct the ex-Trotskyists are assured of the help of Shachtman and the POUM, a Spanish party, in the publication of a periodical. (The magazine has since appeared under the name *Confrontation Internationale*.) International alliances are very helpful for politically characterizing a movement.

Trotsky designated the POUM as having been the most serious of the centrist organizations. It had a workers' base in Catalonia and a certain revolutionary tradition. Although some of the leaders of the POUM pretend to have leanings toward the Fourth International, they never lose an opportunity to assist the opponents of the Trotskyists or to display sympathy for them. It has become a standard practice to be sympathetic to the Fourth International while coming to an agreement with those who are trying to betray it.

La Batalla, organ of the POUM, was preoccupied with the presidential elections in the U.S. They were aware that our comrades in the SWP were carrying on a vigorous campaign for their nominee, Farrell Dobbs. They were equally aware that Shachtman's organization had advised American voters to take their pick among the "socialist candidates," that is, to vote either for the SWP candidate, or for Norman Thomas, or for the candidate of the archaic grouping, the SLP. It is noteworthy that the most decisive elements in Shachtman's group (James T. Farrell, Albert Goldman) who were sympathetic to Norman Thomas, left the organization on this question. Referring to Shachtman's vague position, *La Batalla* (September 18, 1948) wrote: "It would have been more correct to come out publicly and officially in favor of the Socialist Party candidate and even participate actively in his behalf in the election campaign."

Thus as between Trotskyism, whose candidate was a

militant worker with a record of struggle and who was imprisoned for his activities during the war, and American "socialism," whose candidate was a former preacher who supported the imperialist war and has nothing in common with socialist thought, the sympathies of the POUM are on the side of social democracy.

We have no doubt that Shachtman is well able to cover the pages of a magazine with his scribbling. But on the basis of what program? The word program itself is rare enough in his writings. And what are his perspectives? Having returned to his country after a visit to Europe, he found a completely demoralized organization. This is the opening observation of all the articles in the *Internal Bulletin* of the Workers Party and of some of the articles in its public organs. The Second World Congress of the Fourth International, the strongest international gathering of Trotskyists, to use Shachtman's own words, made no impression upon him. He voluntarily closed the door upon it. He sees no solution except to renounce the name "Workers Party" in favor of a study and discussion circle. And as for the rest of the Marxists in the world, he recommends that they plunge into the mass movement without a program—this movement being represented in France not by the Stalinist party but by the RDR! Shachtman joins hands with Demaziere on every point. Without doctrine, without principles, no one is held responsible for anything by anyone. What a remarkable magazine will emerge from such an ideological vacuum!

* * *

It is with considerable disgust that we watch this wretched comedy in which ex-Trotskyists are the chief actors. But it throws considerable light on the struggle which took place over the years in the PCI, a struggle between the supporters of the Trotskyist program and a petty-bourgeois wing which was attempting to free itself from the Trotskyist program and organization.

The future of centrism, originating in petty-bourgeois and social democratic groupings is unquestionably very circumscribed in France. The struggle of the Trotskyists against this tendency should now permit them to turn their attention to the other centrism, that of the workers breaking with Stalinism, with all the necessary theoretical clarity as well as with all the indispensable flexibility needed to advance on the basis of the program of the Fourth International.

—October 15, 1948.

Epitaph to the Workers Party

By GEORGE CLARKE

On the eve of the Second World War, an opposition group led by Max Shachtman and James Burnham rebelled against the political and organizational program of Trotskyism and split from the Socialist Workers Party. The seceding group, consisting in the main of nervous intellectuals and student youth, followed

Burnham and Shachtman into an organization called the Workers Party.

The new party, they announced, while still adhering to Marxist doctrine in general, but not to Trotsky's interpretations in particular, would free itself of the dead hand of "bureaucratic conservatism" which it was claimed had stunt-

ed the growth of the SWP. "In place of conservative politics," their basic programmatic document declared, "we must put bold flexible, experimental politics—in a word scientific politics. In place of bureaucracy . . . democracy to the utmost possible limit."

Now nine years later, under a banner headline announcing the formation of the Independent Socialist League, Labor Action (April 29, 1949) informs us that "the most striking decision made by the Fifth National Convention of the Workers Party was to change the name of

the organization." The most striking decision, therefore, is a notice of bankruptcy of the nine-year undertaking to supplant the SWP as the revolutionary party of the American working class.

Yet the decision, judging by the official document setting forth its main reasons, was made without serious critical reference to the past. Did experience confirm the correctness of the split? How did the program of "scientific politics" and "democracy to the utmost possible limit" stand up under the test of time and struggle? Where are the hundreds of Yipsels who joined Shachtman in his flight from Bolshevism in 1940? What has happened to Burnham, Macdonald, Erber, Trimble, Sam Myers, Demby and others who made up at least half the general staff of the WP? Why did so many—not just an occasional individual, not just a few, but so many!—of the warriors against "bureaucratic conservatism" end up as time-servers of American imperialism? One searches in vain through thousands of words for answers to these questions. The bankruptcy proceedings are carried out without a balance sheet of assets and debits.

The Blind Lead the Blind

It is a case of the blind leading the blind. The WP was founded in opposition to the "conservatism" of the SWP which consisted of refusing to change principles every time Stalin committed some new atrocity. Its successor, the Independent Socialist League, makes its debut as the living embodiment of a genuine conservatism which rejects the task and perspective of building a revolutionary party in the U.S. or in the entire world for that matter.

The WP rebelled against the "bureaucracy" of the "Cannon regime" in the SWP—a "bureaucracy" without a social base, without money, privileges or jobs at its disposal. The main crime of this "bureaucracy" was its insistence that the minority submit to the majority after an unfettered and exhaustive discussion. The ISL, successor to the WP, is begging for a chance to serve the real bureaucracy in the labor movement, the rich and powerful social imperialist gang which aims to stifle all discussion, criticism and minorities in "their" unions, the real bureaucracy which controls tens of millions of dollars and thousands of jobs and has the support of the government besides.

That the Shachtmanites have decided to discard the pretense of being a party and frankly avow themselves a prop-

aganda group is understandable enough. This was Goldman's proposal as he resigned from the WP to support Norman Thomas. Shachtman, who had welcomed Goldman's desertion from the SWP, first denounced him for "irresponsibility" and "political demoralization" and then . . . accepted his proposal which is a belated recognition of a long-established fact. They never were a workers' party in any sense of the term—either in numbers, intervention in the class struggle, leadership of strikes, effective participation in the building of a left wing in the unions or in any other way. Nobody ever considered them a serious force or rival—not the government, the labor fakery, the Stalinists or anyone else.

From the outset they were little more than a parasitic formation borrowing helter-skelter from the methods of the SWP only to make a hodge-podge of their application. After a furious struggle against the worker cadres of the SWP, they undertook to "proletarianize" the very middle class elements who were nourished in that struggle. But when the war came to an end it developed that most of those who had entered the factories had done so as a temporary expedient and began returning to the colleges and the offices.

Failing to establish any serious base in the trade unions, they attempted to lift themselves by their bootstraps through a series of "political" maneuvers. First came an abortive attempt at fusion with the anti-Bolshevik Yipsels. Next followed a raid on the SWP which took the form of a "unity" maneuver. The net gain of this foray was the acquisition of a few soul-sick intellectuals like Goldman and Morrow who stopped only momentarily at the WP en route to the support of Norman Thomas and the Marshall Plan. On the other side of the ledger was the loss of almost a hundred of the best and most active revolutionists in their ranks organized in the Johnson-Forest group who joined the SWP. The final move consisted in an attempt to capture or split the Fourth International but this turned into a fiasco ending with Shachtman's complete isolation from the world Trotskyist movement.

One Direction -- Backward

Nine years of so-called "scientific politics"—that is, tinkering with the principles of Marxism—resulted in nothing but disaster and crisis. The WP had moved in one direction—backward. To its heir, the ISL, it could bequeath, in

addition to the somewhat threadbare "scientific politics," less than half of the membership that had broken with Trotskyism in the 1940 split—and at that a membership shot through from top to bottom with pessimism and despair. These were the conditions that produced the latest organizational and political spasm.

"We have failed," Shachtman says. But it was not our fault—"the principal causes are to be found (on the) outside,"—Stalinism is too strong and the American workers too backward. His sole consolation is that nobody else has succeeded in establishing a "genuine independent Marxist political party." This is written at the very moment when Stalinism has sunk to its lowest ebb in the United States and is wracked by a mortal crisis internationally, when the first signs of a cataclysmic depression and a radicalization of the American workers have made their appearance. It is typical of petty-bourgeois politics to view the forces in the class struggle as fixed geological formations, to view the need for a revolutionary party outside of historical and political necessity, to measure its achievements with a shopkeeper's yardstick—how many members? On this basis there would never have been a Bolshevik Party.

The scientific prognosis of an epoch of wars and revolutions upon which is based the perspectives of the revolutionary party is now considered by Shachtman as the "star gazing" of "political astrologists and panacea-hunters." The clock has been turned back and he counsels a return, back one hundred years, to the tactics proposed in the *Communist Manifesto* for the original immature revolutionary cadres of a working class still in its political infancy. For this wisdom Shachtman is indebted to the retrogressionist IKD (a group of demoralized German emigres), another former ally in the struggle against the SWP and the Fourth International. After a brief flirtation, the IKD parted company with the WP, condemned Shachtman for unprincipled politics, then disappeared without a trace.

After two world wars, the Russian Revolution, the rich experience of the world proletariat with the Communist International under Lenin and Trotsky, and with the bankruptcy of social democracy and Stalinism on a world scale, Shachtman's advice to "Marxist groups everywhere (is to) enter the broader democratic movements of the working class and constitute themselves as the loyal left wing tendency." Conservative

is not the word to describe such politics—**reactionary** is more accurate and scientific.

The Sole Remaining Hope

What hope is there then in this melancholy outlook for the remaining battered companies of "independent thinkers" in Shachtman's "Third Camp"? The "perspective," their resolution declares, "depends primarily on the rate and strength of the development of a labor-third-party movement in this country..." But what if the resistance of the labor bureaucracy to the formation of a labor party and the sharpness of class conflicts forces a different line of political developments?

Eleven years ago, before he lost his Marxist axis, Shachtman wrote:

"While the next period does not indicate the likelihood of the revolutionary party directly becoming a mass party, there is no reason at all for lack of confidence. The adoption of the Labor party slogan, as elucidated by us, does not mean giving up the revolutionary party; it means the best way, under the concrete circumstances, of rooting the party in the living mass movement and of building it into a stronger force. Given a correct policy on our part, the very same forces pushing the workers now toward a Labor party will, as they deepen and as experience is accumulated, push the workers even more firmly towards the revolutionary party."

Today this confidence in the perspectives for the revolutionary party has completely evaporated. Outside of "the development of a labor-third-party movement" there appears nothing but darkness.

A shrill note of panic dominates all the pronouncements of the renamed Shachtman group. The same kind of hysteria led them to discard their Marxist baggage nine years ago in fear of Stalinist "world domination." Today, harassed by the nightmare of missing the Labor Party boat, they have undertaken to book passage in advance with the Murrays and Reuthers and Dubinskys who they fully expect will have unchallenged control of the new political ship of labor. Their entire document is an attempt to prove to these flunkies of American capitalism that the Shachtmanites will be docile and accommodating passengers—"the loyal left wing tendency."

The Shachtmanites are the image of sweet reasonableness. They are ready to embrace the "labor party" even in its

most bastardized form which they say may not be different "in any important respect from the Wallace Party minus its Stalinist perversion . . . or different from a national version of the New York State Liberal Party." Within this new party they promise again and again that they will be "loyal," a "left wing" which wants nothing more than to propagate "democratic socialism."

Their harshest words are reserved not for the labor fakers who will attempt to use such a party, if formed, as an instrument to save capitalism and betray the interests and aspirations of the workers, but for the revolutionists who declare uncompromising war against this bureaucracy. The May Day manifesto of the Shachtmanites is bitter against those organizations which, by continuing to pretend that they are parties, "stand in the way of the formation of the real party of the American workers and impede the progress of the ideas of socialism in such a party." Warfare against the left—i.e., against the Trotskyists—that is the "special" but not very "original" contribution the Shachtmanites have decided to make in the coming struggles in the workers movement.

But what will they do in the meanwhile, the dread meanwhile which will see the "cadres tested . . . for resistance to all the disintegrative and degenerative influences of modern decaying capitalism"? They speak with gravity on this point because they know from sad experience how high a toll these influences have already taken in their group. So again they "emphasize and re-emphasize" that the "most important thing" is the "necessity of rooting of our group in the labor movement, in the trade unions." Without this, they say, their work and influence in the Labor Party movement will have only "literary significance."

Peace with Labor Bureaucrats

With what aims and upon what program shall this membership which has so stubbornly resisted "integration into the working class" participate in the unions? ". . . the main object (of their propaganda group) is not to gain organizational power or influence or to play a leading role in the conduct of affairs, but to bring its ideas to as wide a circle as possible." This declaration, underlined by the Shachtmanites themselves, is not a tactical but a strategical line—a line of ingratiation and adapting themselves to the social democratic section of the labor bureaucracy. That is the

real purpose of the renunciation of their former name as a "party" and their disavowal of any struggle for "organizational power or influence." This capitulatory declaration must be read in the framework of the entire convention document which contains no serious analysis of the regimentation of the unions by its leadership in the service of the war machine of American imperialism, no alarm signal at the consolidation of control by a monolithic bureaucracy and the steady abrogation of democratic rights, no denunciation of the betrayals of the top brass of the unions.

True, the labor bureaucracy is actually named and some criticism is made of it in a trade union resolution printed in an Internal Bulletin. But more to the point was the rejection by the convention of a resolution proposed by McKinney which he summed up in three main points: 1. that the Stalinists are not "the active danger" in the labor movement they were formerly; 2. that the character of the Murray-Green-Reuther-Lewis opposition to the Stalinists is an "integral part of their collaboration with the capitalist ruling class"; 3. that "it is important to emphasize that in the U.S. particularly it is the capitalist-imperialists who are the main enemy."

The rejection of the McKinney resolution placed an official seal on accepted practice among Shachtmanites in the unions and on the weekly boosting of their policy in *Labor Action*. Wherever they are permitted, particularly in the UAW, they play the role of courtiers to the top bureaucracy. Muttering a few whispered criticisms, they join every so-called "anti-Stalinist" caucus they can enter no matter how reactionary and redbaiting its program. While closing their eyes to the ACTU, or apologizing for them where silence is impossible, they eagerly participate in anti-Trotskyist attacks in the unions. The one paper which devoted more space than the *Buffalo Evening News* to the "exposure" of the Trotskyists in the recent union elections in the Chevrolet, Bell and Westinghouse union elections in Buffalo was the Shachtmanite *Labor Action*. Straining at the gnat of a fancied "Canonite bureaucracy" nine years ago the Shachtmanites are now swallowing the camel—the authentic labor bureaucracy of American imperialism.

Lovestone Shows the Way

Only in detail and nuance but not in the essence of the matter is the evolution of the Shachtman group different from that of the Lovestonites who de-

clared official bankruptcy a few months before the WP made its appearance. Like Lovestone, Shachtman tried to find middle ground between revolutionary Marxism—Trotskyism—on the one side and social democracy and Stalinism on the other. On the international field Lovestone kept company with a motley crowd of centrists in various stages of evolution toward social democracy. Shachtman is treading the same path in partnership with similar and even the same elements (POUM, ILP), now much reduced in size and influence, who were Lovestone's allies.

After a futile effort to keep a party going, Lovestone changed over to a propaganda group whose main function was to curry favor with "labor statesmen" like Dubinsky and Homer Martin while praying for a labor party or some large social democratic formation in which to liquidate his group. The quest a failure, Lovestone gave up the ghost and, bit-

terly reproaching the workers for their "backwardness" and Stalinism for its strength, made his peace with the business unionism of the ILGW leaders—and, eventually, with the State Department. Where Lovestone sought to supplant the CP, Shachtman had a more modest rival in the SWP but achieved no greater success, and there is still no large social democratic home or labor party in which to wind up his political peregrinations.

Even the evolution of names is similar: Lovestone—from Communist Party (Majority) to Independent Labor League; Shachtman—from Workers Party to Independent Socialist League. But there is one final difference. Lovestone's group had a solid core of trade unionists of the opportunist variety with good connections in the top bureaucracy. Shachtman has only pseudo-intellectuals with weak ties to those in high places. Lacking such connections, Shachtman cannot find a solution for his group as a whole. It bleeds to death slowly.

Blackett concludes that "atomic bombing alone" would not prove decisive. "On the contrary, a long-drawn-out and bitter struggle over much of Europe and Asia, involving million-strong land armies, vast military casualties and widespread civil war, would be inevitable."

Blackett reaches this conclusion on the basis of the pattern of World War II. Even the colossal slaughter of civilians initiated by Britain and the United States in World War II did not of itself prove decisive. He considers the defeat of the German Air Force as the most decisive single military element. When the ground forces finally moved in, the destruction of civilian centers proved to be a handicap to the occupation.

In the controversy that followed publication of the book, opponents of Blackett's views have claimed that the comparison between the bombings of civilians in World War II and those planned in World War III are of qualitatively different order. Moreover, they add, as if sophistry were needed to clinch the point, all Blackett's opinions and conclusions are suspect, since his political sympathies seem to lie with the Soviet Union.

Without taking sides in this dispute over the effectiveness of various methods of blasting, burning alive and poisoning the civilians of the world's great cities, we can point out that Blackett's conclusion about the unlikelihood of a lightning victory is shared by a wing of the American military caste and also by leading American atomic scientists.

The Emergency Committee of Atomic Scientists headed by Albert Einstein and Harold C. Urey, in a statement issued April 12, 1948, declared: "Let us not delude ourselves that victory would be cheap and easy . . . No military leader has suggested that we could force a Russian surrender without a costly ground force invasion of Europe and Asia. Even if victory were finally achieved after colossal sacrifices in blood and treasure, we would find Western Europe in a condition of ruin far worse than that which exists in Germany today, its population decimated and overrun with disease. We would have for generations the task of rebuilding Western Europe and of policing the Soviet Union. This would be the result of the cheapest victory we could achieve. Few responsible persons believe in even so cheap a victory."

In his effort to relate the problem of atomic energy to the bigger problems of world politics, Blackett reviews the controversy that has raged around its use and control. He condenses the main positions and cites the pertinent docu-

BOOK REVIEWS

Fear and The Bomb

FEAR, WAR, AND THE BOMB, Military and Political Consequences of Atomic Energy, by P.M.S. Blackett. McGraw-Hill Book Company, Inc. New York and Toronto. 244 pp. \$3.50.

This book marks an advance in the thinking of the scientists on the problem of atomic energy. Hitherto the scientists have emphasized the destructiveness of atomic weapons—deliberately trying to heighten fear of another war. Their purpose has been to make the danger to civilization so vivid as to impel the ruling circles to seek enduring peace.

But in opposing another war it is not enough to build up fear of atomic weapons. Mass fear sweeps over into politics. Consequently it can serve either reactionary or progressive political ends. Atomic destruction can be avoided only by understanding the relationship between atomic energy and the great economic and political issues of our time and acting in accordance with a correct political program.

Since the majority of people do not understand this relationship or know the correct solution to the problem of controlling atomic energy, the imperialist rulers of America have been able to

utilize the writings of the scientists on the consequences of the bomb for their own reactionary aims.

Blind fear of the bomb has helped them in their drive to militarize America. They have launched witch-hunts and "loyalty" purges, struck heavy blows against civil liberties and taken the United States a long way down the road to totalitarian thought-control—all in the name of protecting America from the fearful threat of the atomic weapons which they monopolize.

The writings of the scientists on the destructiveness of these new weapons have even played into the hands of the military madmen who talk about a surprise attack on the Soviet Union, an easy lightning war which—they claim—would be over within a few days.

Blackett's book is evidently intended to correct this one-sided emphasis on the horror of the bomb. The author's opinion carries weight, for he is a leading British atomic scientist, winner of the 1948 Nobel prize for his work in physics.

He sets out to answer the question: Suppose the American militarists launch their projected surprise atomic attack on the Soviet Union and succeed in slaughtering the 40,000,000 civilians they confidently predict could be murdered in the first few days—what next?

ments, making the book a handy source of information on this subject.

In 1945, he points out, the leading atomic scientists pleaded with Truman and his advisers not to use the bomb in a surprise attack on civilians. The plea was brushed aside. Despite an offer of the Japanese Government to open peace negotiations, two bombs were deliberately dropped without warning on crowded civilian centers.

What was the political motive for this mass murder? Blackett thinks that it was mainly to end the war and secure the surrender of Japan before the USSR joined in. He holds that it was "not so much the last military act of the second World War, as the first act of the cold diplomatic war with Russia."

This charge has met with indignant denials from Blackett's opponents. Louis N. Ridenour, replying in the *March Scientific American*, upholds the Truman thesis about saving American and Japanese lives by using the bomb. "We have all this on the solemn public testimony of the men responsible for the decisions," says Ridenour, apparently believing that an attorney's appeal to the good character of his clients is sufficient to crush Blackett's political argument.

Philip Morrison, a nuclear physicist who participated in the Los Alamos project, offers confirmation of Blackett's conclusion. "I can testify personally," he writes in the *February Bulletin of the Atomic Scientists*, "that a date near August tenth was a mysterious final date which we, who had the daily technical job of readying the bomb, had to meet at whatever cost in risk or money or good development policy. That is hard to explain except by Blackett's thesis, for the tenth was about the date on which the Russians had agreed to enter the war."

In the United Nations negotiations over control of atomic energy, Blackett shows how the Baruch plan, if accepted, would have driven a wedge into the nationalized economy of the Soviet Union. He shows how Baruch's scheme would have given American imperialism a stranglehold in the industrially-backward areas of the world where the need for a new cheap source of energy is far more acute than in the highly-developed, energy-rich United States.

Finally, he points out how the Baruch proposal would have given the United States the possibility of legalizing World War III on a convenient pretext.

Baruch's plan would not have committed the Truman Administration to even disclosing any of the so-called "secrets" of tapping atomic energy, yet

it was publicized as "one of the most generous gestures of history."

Blackett does not believe that Moscow plans war on the United States. The USSR is not an aggressive power, he holds. The Soviet authorities "must certainly consider that on both military and industrial grounds they have much to gain and little to lose by delaying the clash as long as possible."

The weakest section of the book is the final chapter, "A Way Out?" A brief four and a half pages, it advances the long-exploded nostrum of a "bargain between the two States" and reduction of armaments. It is here that Blackett's views coincide most closely with those of the Kremlin.

This chapter shows no evidence of the thought and research that went into previous sections. Blackett need not have dug long in the archives to discover that militarists do not fear the slogan of disarmament. Even Hitler found the slogan useful in his preparations for World War II.

Pacifist bleatings offer no way out. The projected Third World War with its atomic destruction can be avoided only by taking government power out of the hands of the merchants of death and replacing their anarchic capitalist system by the planned economy of socialism. This is the only road to enduring peace.

Despite its weaknesses, *Fear, War, and the Bomb* is well worth reading. As a contribution to the political discussion on the consequences of atomic energy, it can help lift the reaction from self-defeating fear to a political solution of the problem.

—JOSEPH HANSEN

A Bureaucrat's Fate

THE ECONOMY OF THE USSR DURING WORLD WAR II by Nikolai Voznessensky, Public Affairs Press, 1948.

On March 17, 1949 the Supreme Soviet of the USSR announced that Nikolai Voznessensky had been relieved of his duties as Chairman of the State Planning Commission of Foreign Affairs. This followed the announcement that Molotov and Mikoyan had also been removed from their posts as Minister of Foreign Affairs and Minister of Foreign Trade. However, while Molotov and Mikoyan retained membership on the all-important Political Bureau, Voznessensky had been removed from that powerful institution.

The outside world immediately began to speculate on the reason for this sudden shift in the fortunes of the former

authoritative head of the Fourth Five-Year Plan. Voznessensky himself at one time had directed a purge of Russian economists resulting in the removal of Varga as head of the World Institute of Economics and Politics and the liquidation of that institution into the Economic Institute. For close students of Soviet life, this move did not come as a complete surprise. It had been foreshadowed in January when the Central Statistical Administration was separated from the State Planning Commission and put directly under the Council of Ministers. Without the Central Statistical Administration available at his beck and call "to prove" his line, Voznessensky reaped a hollow victory in the attack on Varga.

The thorough purge that is proceeding on all fronts had, in the economic field, originally taken the form of a counterposition of the "socialist spirit" permeating Voznessensky's book as against the "bourgeois ideology" exhibited in Varga's *Changes in the Economy of Capitalism Resulting from the Second World War*. It is important, therefore, to take a second look at Voznessensky's work which was first published in the Soviet Union in 1946 under the title of *The War Economy of the USSR During the Great Patriotic War*.

When the American edition appeared, the press set up such a howl about Voznessensky's underestimation of the amount of lend-lease that the real value of the book was lost. There is, of course, an underestimation of the amount of lend-lease. But what is of far greater importance is that out of this intended eulogy of the war economy of the USSR, there emerges the following picture of the conditions of the Russian workers:

1. "Compulsory overtime work was introduced in all enterprises."
2. "Production on the assembly line basis was developed on a mass scale," and with the introduction of the assembly-line technique "progressive piece rates" become the standard of wages.
3. A 12 percent reduction in retail trade, "prepared under an assignment from Comrade Stalin," was achieved.
4. Martial law was imposed in transportation. Any infringement of rules resulted in the workers being "sent to penal companies at the front unless they are subject to more severe punishment."

It is important to emphasize that Voznessensky's work is the only official work there is on the Soviet economy during the war. Hence it is important to turn to it also for a description of the toll the war took. Voznessensky writes

that soon after the Nazi attack on Soviet Russia:

"The territory of the USSR which was occupied by November 1941 included before the war about 40 percent of the total population of the country, produced 63 percent of the pre-war total of coal mined, 68 percent of the total pig iron output, 58 percent of the steel output, and 60 percent of the aluminum output. The territory temporarily occupied by Hitlerite Germany by November 1941 produced 38 percent of the total gross grain harvest, 84 percent of the total pre-war sugar production; contained 38 percent of the total number of cattle and 60 percent of the total number of hogs. The length of the railroad lines in the territory occupied by November 1941 constituted 41 percent of the total length of the railroad lines in the USSR."

On the other hand, over 1,000 plants were evacuated and the labor force moved with it to the Urals, Western Siberia, Central Asia and Kazakhstan. "The relocation of industry to the East under the direction of the Stalinist State Defense Committee," writes Voznessensky, had the remarkable result, that the hitherto unindustrial region was producing 40 percent of the war material within the brief span of two years. But the fall of labor productivity was great in comparison to pre-war years.

1943 was what the Russians call *god korennovo pereloma* ("the year of the great turning point"). The victories at the front plus the introduction of the conveyor-belt system reversed the previous trend of decline in labor productivity. There was not only a rise in the hours worked but in the output per hour. At this point Voznessensky claims that production was only 15 percent below pre-war. This hardly tallies with the other sections of the book, especially where he reveals that the number of workers and salaried employees in 1943 "was 38 percent below 1940."

Moreover the plans in the postwar period hardly call for more than restoration of the pre-war economic levels; what rise is called for, almost wholly related to heavy industry, is below the original targets set for the end of the Third Five-Year Plan for 1942. Our picture of the Russian economy remains thus contradictory and quite incomplete. Nevertheless this work is an invaluable source for anyone who wants to unearth the facts beneath Stalinist verbiage and percentage statistics.

Although Voznessensky fails to give a picture of physical production and speaks only in terms of percentages,

sometimes in regard to years for which we have no figures at all, we nevertheless can get some conception of the situation of the workers from the relationship of consumption to production in the context of the economy as a whole. Thus, in the case of the aggregate social product, the percentage form of description reveals that while productive consumption retained the high place of 43 percent of the aggregate social product, personal consumption, including consumption by the members of the armed forces, fell from 42 percent to 35 percent of the aggregate product. Meanwhile war expenditures, excluding personal consumption by members of the armed forces, rose from 4 percent to 18 percent of the total product. Since consumption was not much above subsistence levels even before the war, one stands aghast before the terrific drop in this already low level.

Voznessensky tries to show that there has been some improvement in the standard of living of the Russian masses, if not in conditions of work, at least in pay. To this end, he cites the fact that the average monthly earnings of a Russian worker rose from 375 rubles in 1940 to 573 rubles in 1944, or 53 percent. However, he fails to relate this to the cost of living. The impression given is that the land of "socialism" did not suffer from inflation, and thus the rise in money wages was an actual rise in living standards. However, after the publication of his book, the Russian bureaucracy itself gave the lie to its claims by announcing the devaluation of the ruble. The composition of the aggregate social product reveals a truer picture of the Russian working class than do the labored statements of Voznessensky.

Neither does the curious method of Soviet statistics hide the fact that there was no increase in many lines of pro-

duction, much as Voznessensky tries to convey that impression. For a bureaucrat must always show an increase in production, an increase in consumption, an increase in the standard of living, and other improvements. One method to accomplish this is to speak of production not in physical terms, but in terms of 1926-27 prices. Since the ruble has no standing on the international market, and no inflation is admitted as existing within the country, not to speak of the necessary upward distortion resulting from the pricing of commodities not produced in 1926-27 at the current prices of the first year of production, there is no way of checking the figures and indeed the method is worthless.

Voznessensky adds still another method. In the chapter on the state of the economy at the outbreak of the war, it is simply impossible to show any increase in the livestock during the period, 1928-40. "The great slaughter" (Voznessensky's admission) of cattle following the collectivization has never been compensated for, much less any increase recorded. Nevertheless, Voznessensky contrives to show an increase. How? Simple, where there is no danger of exposure. Voznessensky takes the livestock on collective farms in 1928 when practically no *kolkhozi* were yet in existence, compares that to the livestock on collective farms in 1940 when the majority of farms were collectivized, and thus achieves an increase—on paper.

Despite the miraculous achievement of increases in all lines of production and the fact that the work was quoted as "the general line" to be followed in the economic field, Voznessensky, as we know, has lost both the chairmanship of the State Planning Commission and his place on the Politburo. Varga, on the other hand, although made to recant, retains an important place among the political economists of the country.

—F. FOREST

PAMPHLETS YOU SHOULD HAVE

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A Farmer Looks at Parity

By GILBERT NELSON

The following article is reprinted from the Minnesota Farmers Union Herald of April 1, 1949 where it was featured in the editorial columns as representing the views of the editors. We are publishing it as a clear expression of the views of the working farmers and a defense of their interests on the question of parity against the attacks of a capitalist journalist.

* * *

In the Minneapolis Star of March 24 and the Sunday Tribune of March 27, Arthur Upgren again tries to convince the farmer that he, the farmer, is something less than a 100 per cent citizen.

His first column complains about an article in the GTA Digest. There, an exposure was made of industry's plan to shift part of its pay rolls onto the back of the farmer by depressing agricultural prices below parity. Upgren reveals a rather illogical bias by suggesting that the farmer, by opposing 60 per cent of parity, is also bound to oppose any downward adjustment from the unusual and shortlived postwar highs.

We are not going to be impaled on the horns of Upgren's dilemma. We do not expect a guarantee of 140 per cent of parity; we will not accept 60 per cent; we demand the altogether reasonable alternative of 100 per cent parity. The word "parity" is defined as equality. By its very inherent meaning, the word does not lend itself to any percentage figure other than 100 per cent. Anything less is a libel on Noah Webster and a fraud on the American farmer.

Upgren belittles the "last ounce" of full parity. Forty per cent is a pretty big "last ounce," considering the fact that it includes all of the farmer's wages and a good portion of his out-of-pocket expenses.

* * *

Upgren's arguments are numerous, if faulty. He suggests that farmers should accept a lower price because their per man productivity is increasing. Increased productivity has resulted from longer work days, due to labor shortages; use of more expensive methods and machinery; and introduction of better yielding, and consequently more soil depleting, crop varieties. If the farmer is not to enjoy the fruits of his increased productivity, then who is? Upgren does not

say. The GTA Digest does say—the factory owner.

Upgren also suggests that flexible supports may stay at 90 per cent under the present law. I fear he overestimates the credulity of working farmers. Long experience with government in agriculture leads us to believe that "flexible" supports will be flexible only one way—down, and all the way down. Most proponents of the present law conceal the fact that it provides for only 75 per cent supports for a "normal" crop, as well as the fact that the parity base itself will be cut 12 to 22 per cent on major crops.

This has been accomplished by dropping the 1909-1914 base, and substituting the average price for the last ten years. This gerrymander will include years of depression and wartime controls that work to the disadvantage of the farmers. Likewise—Upgren tries to confuse with the arbitrary selection of unrepresentative base years, and the use of price indices without corresponding data on cost of production.

* * *

Upgren tries to play the factory worker off against the farmer. Because the factory worker does not get a "parity" unemployment benefit, the farmer should not be entitled to a fair price for the product of his labor. We do not believe that two wrongs make a right; nor do we appreciate being made a party to a "divide and rule" philosophy. A guaranteed decent standard of living for city workers would insure, more than anything else, a healthy farm prosperity.

* * *

As adjuncts to 100 per cent parity, Upgren resurrects the bogeymen of "control" and "regimentation." "Control" implies planning, and planning is a fundamental necessity in our complex modern world. The alternative to planning is anarchy. "Regimentation" is a danger only if working farmers surrender their inalienable right to do their own planning. Planning by farmers for farmers is not regimentation. It is the highest expression of the democratic process.

* * *

In his second column, Upgren says that "net farm income has increased more rapidly since 1939 than any other group except corporate profits." Another way to say the same thing is that

corporate profits have increased faster than the income of either farmers or city workers. This obvious fact is no argument against guaranteeing the farmer a decent wage through decent prices. He still takes all of the risks inherent in nature—drought, flood, hail, insects, and a host of others.

Upgren compares net farm income with net corporate profits. But net farm income is figured before computing the operators' wages and income taxes. Corporate profits are figured after payment of huge salaries to many owner-executives and after income taxes. A tremendous portion of wartime and postwar corporation profits have been concealed in hidden items such as excessive charges to depreciation and other reserves, gifts or near-gifts of buildings and equipment from the government, tax rebates and the like.

He also compares net income per farm with industrial wages and cost of living. Again he leaves out of consideration the facts that farms are averaging bigger, huge corporation farms are included, the farmers are working longer hours and using more family help, and increased investment in farm machinery creates a heavy interest factor which cannot be included as wages.

* * *

Another absurdity on his graph shows industrial wages increasing more rapidly than the cost of living since 1945. Ask any city worker or housewife, and they will tell you the extent of this falsehood. It is no secret that the average worker has had to spend most of his wartime savings, as well as all of his wages, to keep up with skyrocketing living costs. Since 1940, factory workers have increased per-man productivity by 25 per cent, but are getting paid 20 per cent less in terms of buying power per unit produced. By the same standard that he applies to farmers, Upgren would consider this fair also.

He admits to a "common resolve that farmers shall not be exposed to demand and supply conditions which are so disastrous." He admits that these conditions produced farm prices at 55 per cent of parity in 1932. His implied solution is to retain the present bill which guarantees only 60 per cent of a degraded parity—actually less than the abomination of 1932.

Coming in July!

Coming in July!

THE AMERICAN EMPIRE

The dominant reality of our time, overshadowing all others, is the menacing power now lodged in the hands of the United States and exercised on a world scale by the behemoths of finance and industry, by the Wall Street Oligarchy. An American Empire, crushing, supplanting and displacing all its old rivals and competitors, reaches out for control of all the world's wealth and resources, and for unlimited and unchallenged right to exploit the toil of the peoples of the entire planet.

What are the driving forces, economic, political and military, behind this struggle for world mastery?

What are the prospects for the realization of the monopolists' program? What is the strength of the forces, at home and abroad, arrayed in opposition?

The Editors and collaborators of *Fourth International* have prepared an entire issue devoted to the American Empire, an analysis of its trends and a Marxist appraisal of its future. The issue includes the following articles:

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2. **Organizer of World Capitalist Counter Revolution** . . . by **George Clarke**
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