

*The New* \_\_\_\_\_  
**INTERNATIONAL**

***THE PERMANENT WAR  
ECONOMY—V***

By T. N. VANCE

***NOTES ON THE NEW  
GERMANY***

By HENRY JUDD

***India's Foreign Policy***

By ASOKA MEHTA

***The Middle Class***

by GORDON HASKELL

***Socialist Policy and the War***

*An Exchange*

**35¢**

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September-October

## Natalia Trotsky's Letter — A Comment By Alfred Rosmer

Readers of *Labor Action* have already read the text of the letter by Natalia Sedova Trotsky, widow of Leon Trotsky, in which she makes public her complete break with the Fourth International and the Socialist Workers Party, and the political reasons for the break. Her declaration has been published in a number of countries. In France, the full text was printed in the latest issue of *la Révolution Proletarienne*, the review of the French syndicalists. Appended to that text was a commentary by Alfred Rosmer. Comrade Rosmer, as many of our readers know, was one of the principal founders of the Communist International in France and for years a member of its Executive Committee. One of the first French communists to support the Russian Opposition from the very beginning, Rosmer was at all times associated with the Trotskyist movement and presided over its first international conference in Europe. His commentary on Comrade Trotsky's declaration is therefore of more than ordinary interest. It is reproduced here in full.—Ed.

The break which this letter [by Natalia Trotsky] makes public is an important fact: it will mark a date in the history of the Left Opposition formed within the Russian Communist Party back in 1923, when Lenin was definitively removed from political life by illness, and thereby in the development of the communist movement which arose out of the October Revolution. An authoritative voice declares that those who consider themselves the faithful disciples of Trotsky and who are now in the leadership of the Fourth International, have lost all rights to speak in his name. On more than one occasion, every time that she saw them take a

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step in the calamitous road on which they had started, Natalia Trotsky endeavored to bring them back to the correct conceptions of the Opposition. In vain. Then, when their "Trotsky-

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# THE NEW INTERNATIONAL

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## The Permanent War Economy

### Part V — Some Significant Trends

Sacred to the operation of traditional capitalism is the ability of the individual capitalist to decide what and how much to produce, as well as the prices at which he will sell his commodities. Under the Permanent War Economy, however, the state assumes *directive* powers, through various types of controls, that largely supersede the power of the individual capitalist. The bourgeois is no longer undisputed master of his own house. He continues to produce commodities and to accumulate surplus values, in greater volume than ever before as we have previously shown, but only as a result of large-scale state intervention.

The ability of the state to direct the economy is basic to the successful operation of the Permanent War Economy. As was shown in Part III, "Increasing State Intervention," May-June, 1951, issue of THE NEW INTERNATIONAL, the entry of American capitalism into the permanent crisis of world capitalism with the Great Depression of the 1930's marked the beginning of the shift of power from the individual capitalist to the state apparatus, representing the interests of the bourgeoisie as a class. While the *character* of state intervention in depression differs from state intervention under the Permanent War Economy, both periods require large-scale state bureaucracies. To this extent, as

well as the psychological preparation for increasing state intervention of both the bourgeoisie and the public at large, depression may be considered a necessary prerequisite to the war economy.

The New Deal served as a school for the development of numerous technical experts in the art of managing state monopoly capitalism and in the equally important area of planning the increase in state revenues required to sustain the expanding state bureaucracy. In 1929, for example, the number of Federal civilian employees was 227,000. In 1933, the figure was only 306,000. It almost doubled by 1939, reaching 571,000. This provided a solid foundation for the expansion that took place under the Permanent War Economy, described in Part III. Some of the key personnel were trained and, more importantly, the practice was begun of borrowing industrial and financial leaders from private industry to administer the various state programs. The New Deal, in short, was an essential framework for the development of the Permanent War Economy.

That a very significant shift has occurred in the rôle of the state in the economy is officially recognized in the 1951 edition of the National Income Supplement to the *Survey of Current Business*, published by the Depart-

**PERCENTAGE DISTRIBUTION OF GROSS NATIONAL PRODUCT**

	1929	1950
In billions of current dollars:		
Personal consumption expenditures .....	75.9%	68.5%
Gross private domestic investment .....	15.2	17.3
Net foreign investment .....	.7	-.8
Government purchases of goods and services .....	8.2	15.0
<b>TOTAL .....</b>	<b>100.0</b>	<b>100.0</b>
In billions of 1939 dollars:		
Personal consumption expenditures .....	72.5	70.4
Gross private domestic investment .....	17.4	16.1
Net foreign investment .....	.9	.0
Government purchases of goods and services .....	9.2	13.5
<b>TOTAL .....</b>	<b>100.0</b>	<b>100.0</b>

ment of Commerce. "The most notable change since 1929 in the use of the Nation's output," states this publication, "is a shift from private to government use. In terms of the current dollar estimates of gross national product, government purchases of goods and services, which absorbed 8 per cent of the gross national product in 1929, took 15 per cent in 1950. Personal consumption expenditures, on the other hand, dropped from 76 per cent of the total in 1929 to 68½ per cent last year." This profound shift can be seen from the summary tabulation boxed above.

It will be seen that the changes in the composition of gross national product were due in considerable measure to differential price movements. Nevertheless, on a constant dollar basis, the rôle of the state increased almost 50 per cent and occurred at the expense of both consumer outlay and capital accumulation. Actually, a better picture would emerge if the distribution were in terms of net national product, as has been our previous practice. The rôle of the state in 1950, according to these figures, is somewhat less than we estimated, primarily because our 1950 es-

timates understated the degree of inflation and the real increase in production that actually took place. We estimated gross national product at \$278 billion, while the official figure is now revealed as \$283 billion. None of these minor discrepancies in any way invalidates our analysis.

THE REAL SIGNIFICANCE OF THE change that has occurred is carefully overlooked by the Commerce experts' desire to relate "comparable" years. The history of the last 22 years, despite serious inadequacies in the underlying data, is graphically portrayed by the changing relationship of government purchases of goods and services to total gross national product. (See box next page.)

It can be seen that the depression of the 1930's was accompanied by the first great advance in state intervention in the economy. While the proportion of total output, as measured by gross national product, that went to government purchases of goods and services reached in depression years the level that exists in the postwar period, the significant change that has occurred is the fantastic growth in the proportion going to the Federal gov-

ernment, i.e., the state. From an insignificant level of 1.3 per cent in 1929, it quadrupled during the New Deal, reaching a peak of 6.2 per cent in 1938, undoubtedly sparked by the realization that the "recession" of 1938 was largely due to the decline in state expenditures in the latter half of 1937. We are already familiar with the gigantic rise in war outlays that resulted from World War II, accompanied by a relative decline in the rôle of state and local government expenditures. The decisive change that has taken place is reflected in the fact that the ratio of Federal government purchases to total output in the postwar period markedly exceeds the prewar period. A ratio of 8 or 9 per cent, virtually all of which is accounted for by direct and indirect war outlays, in its own way signals the advent of a new epoch in the history of capitalism.

Without continuing war outlays

and state foreign aid, and in the long run these must be on an ever-increasing scale, the vaunted economy of American imperialism would grind to an abrupt halt. Roosevelt and Truman are absolutely correct when they reply to their bourgeois critics with the statement that they have saved capitalism. That capitalism is more "prosperous" than it has ever been, as Truman is fond of boasting, requires a very important qualification. It is true, as we have demonstrated, that profits reached an all-time high in 1950 and that the Permanent War Economy operates so as virtually to guarantee the profits of the bourgeoisie as a class.

The "prosperity" of the Permanent War Economy, however, is rather precarious. The state decides not only how many airplanes, tanks and munitions in general shall be produced, but of necessity determines how many au-

**RATIO OF GOVERNMENT PURCHASES OF GOODS AND SERVICES TO GROSS NATIONAL PRODUCT, 1929-1950**

	Total*	Federal	State and Local
1929.....	8.2%	1.3%	6.9%
1930.....	10.1	1.6	8.5
1931.....	12.1	2.0	10.1
1932.....	13.8	2.5	11.3
1933.....	14.3	3.6	10.7
1934.....	15.0	4.6	10.4
1935.....	13.7	4.1	9.6
1936.....	14.2	5.8	8.4
1937.....	12.8	5.0	7.8
1938.....	15.1	6.2	8.8
1939.....	14.3	5.6	8.7
1940.....	13.7	6.1	7.7
1941.....	19.5	13.4	6.2
1942.....	37.0	32.2	4.8
1943.....	45.6	41.8	3.8
1944.....	45.2	41.7	3.5
1945.....	38.5	34.8	3.7
1946.....	14.6	9.9	4.7
1947.....	12.3	6.8	5.5
1948.....	14.1	8.1	6.0
1949.....	16.9	9.9	7.0
1950.....	15.0	8.1	7.0

\*Breakdown does not necessarily add to total due to individual rounding.

tomobiles, refrigerators, tractors, etc., shall be produced and, within limits, the prices at which they shall be sold. From a capitalist point of view, the economic development under the Permanent War Economy must be viewed as unhealthy. The patient achieves a form of recovery from what may be likened to shock therapy. But the treatment is far from painless and even the doctors cannot say whether the cure will be lasting.

The official hope is that "another two years or so" of controls will see American military output achieving sufficient magnitude so that the economy can sustain both the necessary level of war outlays together with a high level of civilian outlays *without continued controls*. This is clearly a consummation devoutly to be wished, but impossible of realization. An economy devoting 20 per cent or thereabouts of total output to war outlays cannot function without large-scale state intervention, requiring direct and indirect controls.

So powerful has been the development of the productive forces under American capitalism, that just as there is periodically an overproduction of the means of production and an overproduction of the means of consumption, it is not excluded that there can be an overproduction of the means of destruction under the Permanent War Economy. Normally, this does not happen in a war economy precisely because war consumes means of production, consumption and destruction more rapidly than they can be produced. Yet, prior to V-E Day, with a few exceptions, there had been accumulated a sufficient stockpile of many types of munitions to permit cutbacks and to enable the armed forces to fight for many months without additional production.

It was not only the dismantling of

the war machine in large measure that produced the notable American inferiority in weapons *vis-à-vis* Stalinist imperialism at the outbreak of the Korean war. It was also, and perhaps more importantly, the high rate of obsolescence that obtains in the means of destruction. This gap is clearly in process of being overcome at a fairly rapid rate. Assuming, therefore, that large-scale warfare or another "Korea" does not break out, or that an armistice is concluded in Korea, the question arises whether American imperialism will not reach a point in the next few years where the warehouses will be bulging with all types of means of destruction and there will be no place to use them.

Such a development is a possibility. Present evidence, however, indicates that the high rate of military obsolescence, together with the talked-about expansion in the production of "fantastic" weapons, should offset for several years the tendency to accumulate an oversupply of munitions in the absence of total war.

A sharp reduction in war outlays in the near future is therefore unlikely and would in a remarkably short time cause a collapse of the economy. Moreover, it would certainly invite the very aggression of Stalinist imperialism that the military build-up is presumably designed to prevent. It may therefore be expected that American imperialism will continue on the only course open to it until the vast collision with Stalinist imperialism (World War III) takes place.

A STATE MONOPOLY CAPITALIST régime in the true sense of the term has developed under the impact of depression and war. It bears a certain resemblance to Bonapartism, but Bonapartism has been traditionally applied by Marxists to a temporary régime of

crisis, which poses the issue of revolution or counter-revolution and which marks the end of parliamentarism. As Trotsky puts it in *Whither France?*, "The essence of Bonapartism consists in this: basing itself on the struggle of two camps, it 'saves' the 'nation' with the help of a bureaucratic-military dictatorship." There is, of course, as yet no bureaucratic-military dictatorship in Washington, although there are possible tendencies in that direction. Nor can the present régime, given the tempo at which world history moves, be classified as temporary. There are, however, numerous features of state monopoly capitalism that possess all the earmarks of clearly discernible trends, and which warrant brief mention in this penultimate article in our series on the Permanent War Economy.

In his excellent analysis of the relationship between Bonapartism and fascism in *The Only Road for Germany*, Trotsky observes that: "As soon as the struggle of the two social strata—the haves and the have-nots, the exploiter and the exploited—reaches its highest tension, the conditions are given for the domination of bureaucracy, police, soldiery. The government becomes 'independent' of society. Let us once more recall: if two forks are stuck symmetrically into a cork, the latter can stand even on the head of a pin. That is precisely the schema of Bonapartism. *To be sure, such a government does not cease being the clerk of the property-owners. Yet the clerk sits on the back of the boss, rubs his neck raw and does not hesitate at times to dig his boots into his face.*" (Italics mine—T. N. V.)

For the time being the fascist threat is absent, nor are the "soldieri" in a position of domination. Yet the domination of bureaucracy and the growing power of the police (the F.B.I.) are

increasingly evident. As we have remarked earlier, the inter-marriage between the big bourgeoisie and the upper echelons of the military bureaucracy is a basic characteristic of the Permanent War Economy. An important research project is available to someone ambitious enough to document this relationship in every detail. It suffices, however, to point out that innumerable officers were commissioned from the ranks of big business, such as "Generals" Knudsen and Sarnoff, and that many military leaders have become "captains of industry," as, for example, Generals Somervell and Clay. Of decisive importance is the network of standing committees and organizations relating to ordnance and military procurement needs. These exist in every industry whose output is important to the war machine and is basic to the military planning of all parts of the armed services. Meetings are held periodically, information on latest military techniques and their impact on production requirements is exchanged, and pilot contracts are continually being let to facilitate research and development. Above all, industry is constantly being geared to achieve rapid and complete mobilization in the event of a supreme crisis.

In the event that American imperialism is constrained to maintain more or less indefinitely an armed force of 3,500,000 or more, the power of the military in its daily impact must grow and the alliance between the military caste and the big capitalists will solidify until the day may come when we can truly speak of a "Europeanization" of American politics. This entire development alone is ample reason for describing the present régime as state monopoly capitalist. There are, however, other and perhaps even more significant reasons for

stressing this aspect of the Permanent War Economy.

In passing, it should be noted that much of the right-wing criticism of state monopoly capitalist trends is garbed in the raiments of liberalism. Consider, for example, General MacArthur's Cleveland speech of September 6, 1951, in the course of which he stated that there has been "a steady drift toward totalitarian rule . . . a persistent . . . centralization of power in the Federal government . . . ravenous effort to further centralize the political power . . . a determination to suppress individual voice and opinion which can only be regarded as symptomatic of the beginning of a general trend toward mass thought control." At another point in the political spectrum comes the charge of Sidney Hook (*New York Times*, September 30, 1951) that we are experiencing a species of "cultural vigilantism" that threatens the foundations of our democratic structure. Such criticism, regardless of source, possess general validity. Their widespread character is symptomatic of the inroads already made in the body politic by the growing power of the state.

IT IS ABOVE ALL IN THE HANDLING of strikes and labor disputes that the monopoly capital character of the state becomes clear. Especially noteworthy has been the rôle of the state in the various rail strikes, with the Army actually assigned responsibility for running the railroads. There was a time not so long ago when the mere presence of armed forces in a strike, when the soldiers were so to speak performing a picketing function, evoked widespread criticism of threats of fascism and charges of military dictatorship. We have indeed traveled far along the road away from traditional bourgeois democracy when military

force can be substituted for the normal process of the class struggle without even raising an outcry of "strike-breaker" in more than the radical press.

With production plans vital to the operations of the war economy, a strike in almost any basic industry immediately threatens to disrupt the war machine or vital war preparations. Hence, the appeals to national patriotism, the resort to fact-finding devices and, where necessary, the mobilizing of public opinion to support intervention by the police power of the state, whether it be coal, transport, airplanes, copper or other crucial industry.

The very technique used to control the class struggle, the widespread establishment of tri-partite wage boards, is in essence a device of monopoly capital. The state, represented by the "public" representative, attempts to resolve each dispute through the technique of arbitration, with the state posing as disinterested and above classes. In those cases where this classless approach fails to work, the power of another arm of the bourgeois state is invoked—the courts, through the use of the injunction. Finally, when no other card is left to play, the state shows that it is still the "clerk of the property-owners" by using its military-police power. Roosevelt was a past master in the use of this technique. But regardless of personalities it is the underlying trend that is significant. The erection of the tri-partite labor-board approach to solving specific class struggles into an entire system, with philosophic justification and techniques for handling every variety of dispute, is more than ample justification for planning the label "state monopoly capitalist" on the political régime under which the Permanent War Economy functions.

The labor bureaucracy willingly accepts its rôle as junior partner in the régime. It balks only when it either feels that it is being "unfairly" discriminated against in the handing out of administrative positions of power and prestige, or when the pressure from the ranks, under the lash of inflation, compels it temporarily to assert a position of independence. Despite these truths, the abortive history of the United Labor Policy Committee is not without interest.

THE UNITED LABOR POLICY COMMITTEE was organized in December, 1950, representing all segments of organized labor except Lewis' United Mine Workers. Its first statement of December 20, 1950, spoke eloquently of "justice and workability" in stabilization measures, but the heart of its concern was its basic objective of equal representation in the organs of the state bureaucracy:

We are fully aware [state the representatives of the A. F. of L., the C.I.O., the Railway Labor Executives Association, and the I.A.M.] of the grave emergency confronting our nation. We dedicate ourselves to help make our country strong and to use that strength to bring peace and abundance to mankind.

*It is imperative that labor be granted active participation and real leadership in every important agency in our mobilization effort. We regret that to date labor has not enjoyed opportunity for full participation in the mobilization effort.*

Free labor can make its fullest contribution only if it is permitted to serve at all levels of defense mobilization both with respect to *policy* and *administration*.

No one group has a monopoly of ideas in the mobilization of our resources. Each group has much to offer and coöperatively we can defeat the world-wide challenge of dictatorship. (Italics mine—T. N. V.)

This bid for changing the rôle of junior partnership into one of equal partnership for labor fell on deaf ears, as how could the bourgeoisie be expected to take seriously the position

of a labor bureaucracy that appeared to be quite satisfied with its rôle of junior partner in World War II. The Administration, of course, should have had the political savvy to recognize that this bid for increased status stemmed not only from the hurt feelings of the labor bureaucracy, but also reflected dissatisfaction by the vast majority of trade-union workers with the increasing burden that inflation was casting on them. No one, however, has accused the Truman administration of genuine political sagacity. It was therefore quite appropriate for the Wage Stabilization Board to issue Regulation No. 6 on February 16, 1951, establishing a 10 per cent formula that jeopardized both escalator clauses and productivity formulae in union contracts.

The promulgation of Regulation No. 6 immediately prompted the United Labor Policy Committee to declare that a crisis existed and to withdraw from the Wage Board. We assume that our readers are generally familiar with the document issued by the U.L.P.C. on this occasion and therefore only reproduce the more interesting passages:

*The price-stabilization program is a cynical hoax on the American people. . . .*

*Profit margins are being guaranteed. Every consideration possible is being given by government price agencies to enhance the position of business and to protect fat profits. . . .*

The Congress is now considering a program to raise all taxes in such a manner that *people in the lower income brackets will be forced to bear a still heavier share of the tax burden. . . .*

So far, *virtually the entire defense mobilization program has been entrusted to the hands of a few men recruited from big business who believe they have a monopoly on experience, good ideas and patriotism. . . .*

This was fairly strong language from a junior partner. Consequently, when Eric Johnston, Economic Sta-

bilization Administrator, approved Regulation No. 6 on February 27, even though it was followed on March 1st with Regulation No. 8, designed to achieve a compromise on the escalator clause question, the United Labor Policy Committee had no choice but to make good its threat. All its representatives from all phases of the administration of the war economy were withdrawn and a policy of boycott established.

The United Labor Policy Committee statement of February 28th, announcing withdrawal of all labor representatives from the war program, carries out the theme of the February 16th statement; the language is even stronger:

On Feb. 16 we announced that we had become thoroughly disillusioned with the conduct of the defense mobilization program. *We made the deliberate charge that big business was dominating the program, that the interests of the plain people of this country were being ignored and that the basic principle of equality of sacrifice in the national effort to protect freedom against Communist aggression had been abandoned. . . .* After full and complete exchanges of information, our original convictions have been more than confirmed.

*We are today confronted with a price order which amounts to legalized robbery of every American consumer, together with a wage order which denies justice and fair play to every American who works for wages.* The door has been slammed in our faces on the vital problem of manpower, which directly affects the workers we represent. . . .

*We have also arrived at the inescapable conclusion that such representation which already has been accorded to labor in defense agencies and such further representation as is now offered are merely for the purpose of window dressing.* (Italics mine—T. N. V.)

The gantlet had been thrown down by the labor bureaucracy. Moreover, Wilson was an extremely vulnerable target. A way had to be found to preserve one of the cornerstones of the

state monopoly capitalist régime. In less than two weeks the formula emerged for a tri-partite 18-man board, which would have jurisdiction over all labor disputes, not only wages. Labor was willing. Gone was its indignation over "big-business domination," the "hoax" of price control, the "guarantees of profits," the iniquitous tax program, etc.

But industry, as represented by the Business Advisory Council, the N.A.M., and the Chamber of Commerce, did not like the deal its representatives were cooking up for it. Accordingly, it issued a statement on March 13, 1951, aimed at reasserting its senior partnership. Advocating a clearly defined wage stabilization policy, the representatives of industry declared:

*This may result in a number of strikes. It is obvious that strikes under such circumstances are not ordinary labor disputes between employers and employees; they are strikes against the government itself, designed to coerce or induce it into making concessions.*

*A firm policy in dealing with such strikes is essential to the maintenance of a sound stabilization policy and to preservation of a proper respect for government itself. Such strikes should not be met with appeasement or concession. They should be handled in accordance with existing law, including, where appropriate, the national emergency provisions of the Labor-Management Relations Act. (Italics mine—T. N. V.)*

It sounded like industry was ready for a showdown. Wiser heads prevailed, however, and after a month of dickering, industry announced that it would accept the 18-man wage stabilization and disputes board "under presidential request, but protesting the wisdom of the entire set-up." A compromise formula was put forward limiting the powers of the new board to recommendations in dispute cases, and another compromise was worked out with respect to manpower control.

But, in so far as anti-inflation controls are concerned, labor achieved not one iota of its demands.

We have cited at some length the history of the United Labor Policy Committee, which then shortly fell apart as it had outlived its immediate usefulness in the eyes of the A.F. of L., because it is illustrative of a basic trend of state monopoly capitalism. It is also quite revealing of the rôle of the labor bureaucracy, whose indictment of big-business domination and economic inequality of the war economy remains entirely accurate, despite the victory on the question of the escalator clause.

### A Marginal Note

A FRIENDLY CRITIC HAS QUESTIONED our conclusion regarding the standard of living on the ground that "empirical" evidence appears to indicate that workers are better off today than they were, say, in 1939. The statistical evidence presented, or the analysis flowing from the data, are not questioned. But there seems to be some feeling that our case has been overdrawn. After all, more workers have automobiles now than ever before. Many have television sets, which didn't exist. We admit that unemployment is at extremely low levels, etc. "How, then, is it possible," asks our critic, "for the workers to have experienced a decline in their living standards?"

In the first place, we have shown that the average per capita standard of living did rise—17 per cent in 1950 over 1939. We did, however, calculate a slight decline in the per capita standard of living of the working classes—to be exact, a decline of 1.3 per cent from 1939 to 1950. Of course, at the same time, there was a marked improvement in the standards of living of the farming classes, the middle classes and the bourgeoisie. Moreover,

it is obvious that with such a slight decline in the standard of living of the working classes, it is quite possible to find this or that worker whose living standards have increased.

We are, of course, not aware of the "empirical" evidence referred to in apparent refutation of one of the fundamental laws of motion of the Permanent War Economy: that an increase in capital, instead of causing an increase in unemployment, is accompanied by relatively full employment and declining standards of living. We suggest, however, that the "empirical" evidence be examined a little more closely. It will be found that the increase in employment far exceeds the increase in the number of families. In other words, the average working class family currently contains a much larger number of wage earners than in 1939. This is primarily due to the inability today of most workers to survive on the basis of one income per family, which was generally typical of the pre-Permanent War Economy period.

Two and three incomes per working-class family are far from being atypical in 1951. Naturally, in many such cases, it is quite possible for the family income, on a real basis, to exceed that of 12 years ago. This does not in any way upset our conclusion that the rate of surplus value has increased, or any other basic conclusion. Even the possible improvement on a family basis must be tempered by consideration of the profound change in income tax laws, not so much with regard to rates as to the decrease in exemptions for dependents. The result has been that the working classes now bear the major brunt of the income tax, whereas previously they were almost totally unaffected.

Seekers after empirical evidence should also interview workers, such as

teachers and other civil servants, whose incomes are relatively fixed. They are part of our data on the working classes and they have suffered a catastrophic decline in their standards of living. It should also be remembered that for every working-class family that is able to have two, three or more separate incomes, there is almost an equal number who are not in this position and who, in order to make ends meet, find the one and only income earner forced to take on a second job. This abnormal increase in labor power, solely a product of the inflation, is also encompassed in our figures. All empirical evidence that we have seen supports our general conclusions. The consumer "buying strike" of the spring and summer of this year is additional evidence that the inflation has reached a critical point and that living standards are declining. The fact that redemptions of E bonds exceed purchases, and that liquid savings in general are at extremely low levels, are genuine empirical evidence that our fundamental thesis is eminently correct.

We have digressed at this point not so much to answer our empirical critic, but to observe that the relative stability of the price level during the past six months has eased somewhat the pressure on the labor bureaucracy, but everything they said about the fraudulent price control program and the unfair tax program, *etc.*, remains true to this very day. As the ratio of war outlays to total output continues to increase, there must be a renewed upsurge of the inflationary pressure. As Wilson's third quarterly report of September 30, 1951, correctly puts it: "Despite the present relative stability a critical period in our battle against inflation lies ahead. We must anticipate and prepare for the strong inflationary pressure that will be again en-

countered as defense spending grows and personal and business incomes mount."

At that point, which should be reached early in 1952, the attempts to "freeze" the class struggle through tripartite labor boards may run into serious difficulties. If we base ourselves on Marxism, we should be concerned with such fundamentals as what is happening to real wages and real profits, with the basic trends in the class struggle, and not with episodic and invalid "empirical" evidence that dissolves into thin air at the first touch of reality.

CONTROL OF THE PURSE STRINGS has always been viewed by Marxists, and correctly so, as a crucial element in the power of any régime. Inasmuch as the American state must go through a tortuous process of Congressional hearings and committees before funds are appropriated, it may be objected that in this vital point there is no possible resemblance to monopoly capitalism. Such a view would be entirely superficial. In fact, one of the really distinguishing characteristics of the present state monopoly capitalist régime is the inability of the legislature to deny in general any requests of the armed forces for funds. This is obviously true in time of actual warfare. It is no less true today, when the need for haste is not as great. Aside from carping criticism against the number of oyster forks ordered by the Navy or a picayune reduction in state foreign aid, there is very little that the Congress can do in the face of a certified statement from the military that they need \$60 billion worth of munitions in the next year or \$100 billion in two years, or whatever the precise military requirements may be.

Even if all the details were made available, which they are not on

grounds of military security in the case of atomic weapons, *etc.*, and even if a Congressman felt himself qualified to question specific military requests, it is politically hazardous for a Congressman to advocate a reduction in this or that *military* item in the face of the customary statement by a representative of the armed forces that "this is the minimum required to assure the military security of the country; we will not be responsible for military safety if less than this amount is appropriated." For all practical purposes, therefore, direct war outlays and most indirect war outlays are sacrosanct. The legislature can do little better than rubber stamp the military requests. *De facto* control of the government purse strings has passed into the hands of the state executive bureaucracy. Even in the present situation, with the Truman administration on the whole confronted with a divided and hostile Congress, the state power to obtain funds is effectively independent of any control by the elected representatives of the people.

It is thus a comparatively simple matter for the state monopoly capitalist régime to manipulate the national debt in a manner best calculated to advance its own political fortunes as well as the class interests of the bourgeoisie. The spectacular rise in the national debt has been one of the chief methods whereby inflation

has been promoted and an excellent indicator of increasing state intervention in the economy. The total gross debt of the United States government for selected fiscal years (ending on June 30th) of historical significance is shown in the following tabulation:

**NATIONAL DEBT FOR SELECTED YEARS  
(Billions of Dollars)**

Year	Amount
1915	\$ 1.2
1919	25.5
1930	16.2
1933	22.5
1939	40.4
1945	259.1
1946	269.9
1950	257.4
1951	255.3

World War I increased the national debt by some \$24 billion, with the total reaching a peak of \$25.5 billion in 1919. Under the influence of the last period of genuine capitalist prosperity, the national debt then declined to \$16.2 billion in 1930, the beginning of the Great Depression. Under the New Deal, the national debt rose from \$22.5 billion in 1933 to \$40.4 billion in 1939, as state intervention in the economy commenced in a significant way. It remained, however, for World War II to cause an unbelievable increase of \$219 billion by 1945 and \$229 billion by 1946, when the national debt reached a peak of \$269.9 billion—the increase in the debt exceeding one year's total output at that time.

The national debt has become so large that any thought of ever paying it off has long been abandoned. The interest charges alone run to about \$6 billion annually at the present time. Inasmuch as the national wealth exceeds the national debt by at least a 2:1 ratio, it may be thought that there is no danger in the existence of such a huge debt. In fact, some bourgeois economists of the Keynesian

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school have projected figures intended to "prove" that the United States can support a total debt, public and private, running into trillions of dollars. From an abstract point of view, it is possible to contend that the only economic limit to the size of the national debt is the ability to meet the annual interest bill. With interest rates considerably lower than what they used to be, under this approach the national debt could easily be doubled or tripled without any serious danger being encountered.

The government, however, does not borrow money merely through the device of printing bonds. If this were the case, it could simply print money—and there would be a galloping inflation of the printing press variety, where the value of the dollar would literally sink to virtually zero. Needless to say, an inflation of this type, of which there are many examples in history (Germany in 1923 being a classic case), places the question of social revolution on the order of the day. The government must sell its bonds. Approximately one-third of the national debt is held by the banks, so controlled under the Federal Reserve System that for all practical purposes they are forced to buy government bonds at the dictate of the Treasury. Under the banking system, these government bonds in the hands of the banks become the base for a tremendous expansion of bank credit, thereby feeding the fires of inflation. Moreover, in a very real sense, that portion of the national debt held by insurance companies, corporations and some individuals, represents prior accumulations of capital for which there is no profitable outlet. Of course, tax-exempt securities should be excluded from any such analysis.

While the national debt has actually declined during the first year of the

Korean war, it reached a low of \$254.7 billion in April, 1951. At the end of August, 1951, it was \$256.7, an increase of \$2 billion in four months. Further increases in the national debt may be expected as expenditures for war purposes continue to increase. With redemptions of E bonds (of which there is a total of less than \$35 billion outstanding, with more than \$19 billion falling due in the next four years) currently running about twice as high as new purchases, it remains to be seen whether the new savings bond drive will be sufficiently successful to prevent additional large-scale government borrowing from the banks. In the absence of a pay-as-you-go tax program, the state will naturally have no choice but to borrow the sums needed to finance war outlays.

This type of "creeping" inflation, it should be emphasized, has already reduced the purchasing power of the dollar by about 50 per cent since 1939. Until it gets out of hand, it may prove to be good politics for the incumbent administration, in so far as it generates a pseudo-prosperity conducive to corraling votes. In the long run, however, as maintenance of the Permanent War Economy becomes more and more expensive, and a greater and greater portion of the burden is thrown onto the backs of the working and middle classes, the inflation must continue, bringing with it the threat of a complete capitalist breakdown in general bankruptcy, *i.e.*, unless war does not intervene first. Of course, long before general bankruptcy is imminent, the class struggle will erupt in a new and violent form as the impoverished segments of the population led by the proletariat attempt to throw off their intolerable burdens.

THE NATURE OF THE WAR against Stalinism being waged by the Ameri-

can bourgeoisie is such that anti-bourgeois-democratic aspects continually receive encouragement and nourishment. The aim of the American capitalist class is peace, *but on a capitalist foundation*. This not only dictates the necessity of destroying Stalinism root and branch, but of guarding against socialist developments in England, France and Germany, as well as preventing the nationalist and colonial revolutions in Asia from developing in an anti-capitalist direction. While the current political perspective is one of "neither peace nor war," American imperialism is fully aware that the only method on which it can rely is the use of overwhelming military might.

Wherein, it may be asked, does this differ from World War II and the American aim to destroy German Nazi and Japanese militarism and imperialism? With respect to the mobilization of military force, there is little difference, except perhaps in a quantitative sense. Long and bitter as was World War II, American imperialism will be faced with an even more formidable foe in Stalinist imperialism. We are fully aware of American superiority in steel production, oil production, transport, and presumably in atomic energy developments. Yet, barring internal political collapse, there can be little doubt that Stalinism will be capable of mobilizing greater military power than the Nazis could at their peak. Moreover, Stalinism does not fight solely with military methods; it also employs political methods on a scale that neither the Germans nor Japanese could begin to approach.

The American bourgeois struggle against Stalinism may therefore require a greater proportion of output devoted to war outlays over a much longer period than was the case in World War II. If such be the case, it

can only strengthen all the tendencies that we have already observed to be at work under the Permanent War Economy.

There can be no question, however, about the contrast between World Wars II and III on the political front. Fundamentally, the internal problem in World War II was one of preventing military and industrial espionage in the normal sense of the term. To be sure, a few German Bundists had to be rounded up and either deported or jailed, and, under the influence of hysteria, the Japanese-American population on the West Coast was interned in concentration camps in the interior. But there was no political movement that could penetrate significant layers of American society as a whole, providing not only an excellent nucleus for a possible Fifth Column, but an inexhaustible reservoir of American agents bound by political loyalty to a hostile foreign imperialism. Such, however, is the case with Stalinism.

It is precisely in its handling of the internal menace posed by the existence of a native Stalinist movement that the anti-bourgeois-democratic development of the American bourgeoisie stands most clearly revealed. One has only to cite the nature and manner by which the "subversive" list has been promulgated and used or the recent secrecy order to see how far along the road to authoritarianism, in this respect, American imperialism has traveled. Of course, the primary motivation is fear. But it is not only fear of Stalinism, but fear of any possible anti-capitalist development. It would have been a relatively simple matter, especially in view of the boasts of the F.B.I. that it has its finger on virtually every Stalinist, to have immobilized every Stalinist organization and leader as actual or potential



agents of an enemy imperialism. Yet, this was not done. Instead, decree power was used to blanket the most militant anti-Stalinist organizations together with Stalinists as enemies of American imperialism.

American imperialism is first and foremost concerned with preservation of its capitalist and imperialist base. If, in the process, the Bill of Rights, the heart of bourgeois democracy, has to suffer, that is perhaps regrettable, but not as important to the bourgeoisie as maintenance of its property and its system of exploitation. Imagine what the leaders of the American bourgeoisie in its progressive period would say in face of a secrecy order that gives any clerk in any government department the right to classify material as secret or confidential, without any right of appeal, in what is still ostensibly peacetime! We do not say that bourgeois democracy no longer exists in the United States. On the contrary, it does and we shall fight for the preservation of the democratic rights it affords against all its enemies, including the bourgeoisie. But it is important to note the political trends that are unfolding as the Permanent War Economy becomes more and more entrenched. The *trend* is away from bourgeois democracy. All that is needed is the emergence of a real threat of a militant working class movement, on the one hand, and on the other a fascist threat, and then the question of Bonapartism will become an actual one.

WIDESPREAD CORRUPTION IN OFFICIAL and private life has historically been an infallible sign of decadence. The disintegration of the moral fabric of civilization has its roots in a social system that fetters the productive forces and is no longer capable of playing a progressive rôle. Capitalism has

never been particularly distinguished for the honor and integrity of its ruling class. One has only to recall the various methods employed by the "robber barons" in the eighteenth and nineteenth centuries during the stage of primitive accumulation of capital to understand why graft and corruption are an integral part of the capitalist method of production. Yet, it is difficult to find a parallel in modern history for the vast corruption disclosed by the Kefauver Committee and various grand juries. The honest public official becomes the rare exception, an occasion for editorial praise.

Bribery takes many forms and is not restricted to public officials tempted by inadequate incomes. On the contrary, American business has erected bribery into a symbol of aggressiveness and an accepted, if not quite legitimate, method of doing business. "Anyone and anything can be bought for a price" is the underlying philosophy. This prevails from a Jay Gould who boasted that he could hire one-half of the working class to shoot the other half to the modern buyer or purchasing executive in a large corporation who expects to be "smeared" if someone wants to sell him something and who expects to "smear" the supplier of something that is difficult to buy if he wants to buy it. It is therefore hardly surprising that virtually every political machine, Democratic or Republican, in any city of size is clearly linked with organized crime.

Every now and then a reform movement temporarily ousts the corrupt machine and, on occasion, a juicy scandal, such as the Teapot Dome affair, is revealed at the level of the Federal government. The present degree of corruption, however, is far more extensive and all-pervading than ever before, and necessarily so because of the development of state monopoly

capitalism. This is the era of the "mink coat," the "deep freeze" and other "gifts" that are generally accepted as the normal method of doing business in Washington. "After all," says the typical bourgeois, "it is *our* government; it is there to be cheated and who cares if we cheat ourselves." An exaggeration? We do not believe so. The American mores tend to condone successful bribery and corruption. It is only those who get caught who are looked upon with a degree of scorn.

With such a background, it is no wonder that as the state intervened more and more actively in all phases of the economy, bribery and corruption have mushroomed to the point where they have become a central political issue. If a businessman cannot do business without a piece of government paper, a priority for raw materials, an allocation, an export license, (a gas coupon), *etc.*, his instinctive thought is to "buy" one. The larger the business, the more prone he is to think of this approach and the greater the possibility of his having the means to carry it out successfully. After all, if congressmen can be "bought," in the interests of favorable legislation, why not "purchase" a piece of paper that is essential for doing business?

Official recognition of the importance of corruption was given by Truman in his special message to Congress of September 27, 1951, calling for disclosure of incomes of United States officers and employees. While the immediate motive was undoubtedly political, to protect the Democrats from the epidemic of public charges of corruption, the message confirms our analysis and reveals another important trend to which state monopoly capitalism under the Permanent War Economy has given rise. States the President: "*As the burdens of the*

*government increase during this defense period, and more and more citizens enter into business or financial dealings with the government, it is particularly necessary to tighten up on our regulatory procedures, and to be sure that uniformly high legal and moral standards apply to all phases of the relationship between the citizen and his government.*" (sic!)

Why is this necessary? Perhaps, because officials in the R.F.C. and other agencies, including the Bureau of Internal Revenue, not to mention the war procurement agencies, are lining their pockets at the expense of the taxpayer and then obtaining highly remunerative positions with the same companies they have helped to circumvent Federal regulations? Hardly this, although the President is "disturbed" because "I am told that people all around the country are getting a mistaken and distorted impression that the government is full of evildoers, full of men and women with low standards of morality, full of people who are lining their own pockets and disregarding the public interest."

On the one hand, it is apparently a deliberate plot to discredit the government service: "Attempts have been made through implication and innuendo, and by exaggeration and distortion of the facts in a few cases, to create the impression that graft and corruption are running rampant through the whole government."

On the other hand, there *is* pressure, and there *are* those who succumb: "In operations as large as those of our government today, with so much depending on official action in the Congress and in the executive agencies, there are bound to be attempts by private citizens or special interest groups to gain their ends by illegal or improper means.

"Unfortunately, there are some-

times cases where members of the executive and legislative branches yield to the temptation to let their public acts be swayed by private interest. We must therefore be constantly on the alert to prevent illegal or improper conduct, and to discover and punish any instances of it that may occur."

Truman therefore proposes that all elected and appointed officials receiving salaries of \$10,000 or more, plus flag and general officers of the armed services, together with the principal officials and employees of the major political parties, as well as those government employees receiving more than \$1,000 annually from outside sources, should be required by law to disclose their entire incomes from all sources, public and private. "The disclosure of current outside income," states Truman, "will strike at the danger of gifts or other inducements made for the purpose of influencing official action, and at the danger of outside interests affecting public decisions." Such information would also "be of obvious help in tracking down any case of wrongdoing."

We doubt that such a law would be

particularly effective in eliminating the prevailing widespread corruption, for its roots are much deeper than the president indicates. The "black market" mentality will simply discover new techniques to achieve its objectives. Nevertheless, in spite of the fact that there is little possibility of such a law being passed, we heartily support Truman's proposal. As he says, "people who accept the privilege of holding office in the government must of necessity expect that their entire conduct should be open to inspection by the people they are serving." We think that the people would like to obtain a few facts and figures on the extent of corruption that exists, and that they are entitled to such information.

It is undoubtedly sheer coincidence that on the very same day that Truman proposed his anti-corruption legislation, Senator Williams of Delaware, a kept lackey of the DuPonts, succeeded in having the Senate vote to eliminate tax-exempt expense allowances of the president, vice-president and members of Congress, and is quoted in the press as being motivated by the thought that: "Our country was founded upon the principle that the ruling class would be subject to the same laws as other citizens."

This is a very touching thought, and we are happy to learn that there is a ruling class in these United States. As to how equitable the tax laws are, we must leave this very important subject to the next and concluding article in this series, when we shall also indicate our concept of a socialist political program to cope with the problems confronting the working class as a result of the development of the Permanent War Economy.

T. N. VANCE

September, 1951.

## Notes on the New Germany

### Observations Recorded During a Recent Visit

These notes and observations were made during the course of a trip through Western Germany during July of this year. As such, they possess the customary merits and demerits of "first observation." Nothing has been added or changed, with the exception of a concluding section. A trip through this "New Germany" is certainly one of the most interesting and curious experiences available today.

H. J.

Saarbrücken/Saarland, July 3: "Ein schaffendes Volk," these Saarlanders! If work, energy and activity are acknowledged characteristics of the German people, then the people of this hotly-disputed region possess them in excess. In their gloomy capital city, with its main streets reconstructed only to hide away the ruins of the side streets, they rush about on feet or in the street cars, on their way to factory or office. The Saar is rich in coal, rich in steel mills to convert Lorraine iron ore into steel, aided by Ruhr coke and Saar coal. The smoke of the Völkingen and Dudweiler mills drifts over the capital city whose post-war officialdom sits in collaboration with the French authorities. Dull-grey coloration everywhere; an active but depressed people, conscious of the renewed struggle over their tiny territory begun by a revived Germany and a despairing France. The circumstances have changed, but the language is an old and familiar one. No new solutions over Saar sovereignty have been offered, from all sides pious respect is paid to the concept of the Saar problem resolved within the integrating framework of a "United Europe." But we find no one who believes in its realizability. . . .

M. Grandvaal, *Haut Commissaire* representing the French government; Johannes Hoffman (better known as "Joho"), Minister-President and champion of the current position; the Saar Landtag of 50 members; Chancellor Adenauer and Dr. Kurt Schumacher—those are the protagonists in the violent, heated debate. The 900,000 *Saarländer* (coal miners, steel workers, small farmers, merchants and industrialists) are largely passive and silent, hostile or sceptical of all proposed solutions, waiting for the possible crystallization of something new. This does not come. . . .

The current Saar régime was elected in November, 1947, i.e., the period of Germany's deepest social and economic depression. But four years have profoundly reversed this situation, and new elections in November, 1952, may thoroughly overturn the present Landtag of 50 members. (27 CVP-Christian Democrats; 18 SPS-Social Democrats; 3 DP-Democrats; 1 KP-Stalinist; 1 independent.) The angry, determined voice of Kurt Schumacher blasted the Saar social democracy in 1947 when it accepted the French policy of alleged "political independence under French economic integration." This voice has not ceased since, and the presence of Germany's outstanding post-war personality is evident in every corner of the Saar. Even Adenauer dared not recognize the February, 1950, agreement between France and the Saar.

The new pro-German party (Democratic Party) was rudely suppressed, revealing French political determination. The Saar is "christlich, sozial,

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*deutsch*," was its motto. It proposed a simple reintegration into Western Germany. Its leaders were merchants, business men, professionals, stifling under French competition. There is no "neo-Nazi" movement in the Saar; too Catholic, conservative and traditional for that development. The socialists are in turmoil; Schumacher's bitter tongue reaches far. Their coalition with the Catholics broke up in April, 1951, over issues of an inner, social program. Their brother party in Germany, which they disowned in its hour of distress, has not forgotten; what shall they prepare for?

A cautious observer gave these estimates of public opinion: 15 per cent of the people want continuation of the present status; 15 per cent favor total reintegration with Western Germany; 70 per cent would like a true political independence and autonomy (like that of Luxemburg), with free economic ties with France and Germany. Most often this is expressed as "European unity" within which the Saar finds its normal place. Thus, 70 per cent favor a utopian solution which no party accepts and all ridicule as unrealizable! An anomalous position for a conservative population which shares the universal distrust of political figures and their parties. No fresh voice can be heard in the Saar, attempting to formulate concretely and realistically the confused ideas of the 70 per cent. Is this why the "Saar debate" in Paris and Bonn arouses so little response, or rather, a cynical abnegation, We are Western Europe's favorite milch cow, say the Saar people. They will not decide according to our wish. Of course we are German, not French; but we do not think in terms of a purely Germanic solution.

A plebiscite is demanded at Bonn. The atmosphere for a plebiscite hardly exists today: the French claim the

last elections served that purpose. But would the alternative of the 70 per cent be included in the plebiscite—or only "Germany" or "France"? Neither new elections nor a plebiscite are likely to break the frustrating bonds which surround this tiny region. Its malady is the European malady; the inability to unite under existing circumstances. Saar coal wants to join French iron ore with Ruhr coke, but its force of attraction is much too weak.

A hard-working people, they say at Saarbrücken. Catholic, moral, middle class concepts, unable to enjoy leisure time, demoralized by the endless international tug-of-war and the frustration of their hopes after they had given themselves first to one then another seducer. An atomized people, unaccustomed to pull together or formulate common hopes; centered on family and home life. The Saar coal miner has no resemblance to the Welsh, Scotch, American or Ruhr miner. A hard-working, sad people, living in dark towns and cities.

In the Saar one can find all of Europe's diseases, but none of the even faint signs of perspective and hope which exist elsewhere. It is best to travel further on. It does not always pay to exaggerate one's powers to *schaffen!*

KOBLENZ/GERMANY, JULY 6: A wearisome train ride through the Saar, entry into Germany proper, and finally contact with the valley of the Rhine at Bingen; then transfer for the famous boatride on the Rhine to Koblenz. Past the Lorelei now doubtfully enhanced by the presence of a physical "Lorelei" who combs her "goldene Haar" (at union wages) for each passing ship. A German seated next to me mumbles a few words against tourists,

Americans with lack of imagination, commercialism.

At the Saar-German frontier, a first taste of the Adenauer *bürokratische Staat*. A 1½ hours' stopover for passport and customs' inspection, filing of currency forms, etc. We count 10 to 11 bureaucrats (train controllers, police, customs officials, passport inspectors, etc.) busy at work on this train of perhaps 150 travellers. The Saarländer are given a workout; bags completely emptied, each morsel of coffee, tea, chocolate, etc., registered, listed and taxed; unfriendly attitude of officials toward countrymen who "don't want to come home." Obviously deliberately organized effort to annoy these people. Every bureaucrat in his own, peculiar uniform. The angry housewives, on their way to visit relatives, tell me, "These Germans love uniforms." A discreet silence.

At Koblenz, a small Rhineland city for administration, our first taste of changes and developments in Germany since the last visit in 1947. At first glance, there is not much changed: A desultory group of French soldiers wandering about, characteristic ruins of homes, stores, buildings; poorly-dressed workers waiting for crowded streetcars. But certainly it has changed, and a walk through the city indicates this: the normal activity of a busy city, stores crowded with goods, housewives, school children, all the characteristics of a normal life. The streets have been cleared, the large avenues have resumed a partial elegance, the gaping walls of ruined buildings are blocked off by neatly piled stones, only the small side streets retain piles of rubble. The hopeless and tragic appearance of the "*alles Kaput*" days is gone.

But here we gain our first really new and striking impression. The stark newness of many things: shops

and stores, theaters and movie houses, banks and bureaus, cafes, hotels and restaurants. Along the main and shopping streets, they crowd closely against each other, separated perhaps by a row of ruins. All are shining now, long lines, sharp corners, gleaming facades, fresh painted, desperately "modern." Inside, flashy metal decorations, terribly clean and orderly, not conducive to a feeling of ease. Is this clash between "*Kaput*" and completely new responsible for the strange feeling a traveller has everywhere in Germany? There is no continuity, no growth between the past and this eerie present.

Nor does it take the technical knowledge of an architect to see the cheap, superficial and facade-like quality of the construction. Of new housing, apartments, projects, there are very few. This is get-rich-quick capital at work; movie houses, restaurants and cafes, night clubs, anything to draw attention away from the ruins, but executed in a planless, individualist, private-enterprise fashion. It has nothing in common with a systematic effort to reconstruct a ruined city. A visit to the city's living quarters indicates that it is each man for himself in the effort to solve the housing problem. Some of the smaller units built before the monetary reform of 1948 are already sagging and collapsing. Shabby material, poor foundations, hasty work, everything *Ersatz*. We shall see more of this; it is the new Germany under the Adenauer régime, guided by the Allies.

BONN-AM-RHEIN/July 7, 8: The Rhineland city of Beethoven and Marx, the young student. A Catholic city, of pensioned officials and *rentiers*, mixed with 6,500 students (to whom they rent rooms), and suddenly dragged into the daylight by its conversion

into a capital city. The hasty erection of stores, cheap homes, cafes, *etc.*, is still more noticeable in this city which appears ill at ease in its suddenly assumed political rôle. Here, all is "new" or ruins. Try though it may, Bonn can never possess the appearance of a true capital. Yet, this Adenauer régime feels at home here and the city's personality reflects the régime: Catholic, conservative, bureaucratic, maneuverist, impotent, facade. We watch some of the new construction work, cheap offices for the various ministries. A quick pouring of a cheap concrete mixture into a mold of boards forms the basis for a wall; much pre-fabricated material; the work goes forward rapidly.

The new *Bundeshaus* (Parliament) of the Federal Government, an attractive modern building, built with more seriousness than other work, excellent furnishings. We attend two sittings: one over the "Saarland Question," the other over "Schumann Plan Ratification." The house is full, the debates heated, the assembly far from being an impotent body under occupation domination, thanks to the opposition of the Social Democratic Party (SPD) and its leading voice, Dr. Kurt Schumacher. The socialists furnish a strong opposition to the government's reactionary policies, and speak with a certain air of aggressive confidence in their future. The party of Adenauer is clearly on the decline and the future will pass it by since a new order of questions now exist.

The Saarland debate provides the socialists with the opportunity to illustrate their approach to the question of German nationalization (see conclusion), and to attack the government for its failure to preserve the nation and its resources; their opposition to the Schumann plan, which they have analyzed in detail and clause

by clause, not only gives the party an opportunity to attack the government's relation to the occupation powers, but also to present their independent economic proposals and solutions. The socialists reject the Schumann Plan because it is not presented on a basis of equality; it is ". . . the solidarity of the victors against the defeated." Germany, which produces more than 40 per cent of the coal and steel envisaged under the plan, is to be represented by only 2 out of the 9 members on the High Authority. The Schumann Plan is a part of French policy toward Western Germany, enforced by American decentralization and decartelization politics toward the Ruhr. The socialists have carefully dissected the Plan, and exposed its narrow nationalism behind its ostensible steps toward European economic unity. The supporters of Adenauer appear considerably uncomfortable under attack; it is clear that their support is based upon the strategic choice that participation in the plan will forestall a future socialist nationalization of the industries involved. The solid socialist bloc in the *Bundeshaus* is a constant challenge to an outmoded government which dares not respond to the demand for dissolution and new elections.

*Reichs Kanzler Adenauer; Dr. Kurt Schumacher*—there are the two protagonists. What a contrast of personalities they form! Adenauer, old but well preserved; a large and expansive looking Rhinelander, staunch Catholic, gentleman, astute, conservative, German aristocratic tradition, excellent relations with the Allies and other foreign powers. Schumacher, the outstanding personality produced in post-war Germany, feared by his opponents (numerous!), devotedly backed by his party comrades. A harsh man, no doubt, as his opponents complain,

with a *scharfes Wort* for everyone, but the one man who has renewed German working-class and socialist vitality and drawn the links between a nationalism with a progressive social content and the new socialist movement of the country. His rôle in reviving German socialism cannot be underestimated. A man of great will, with a perspective, but marked by his years of suffering under Hitler. He is physically brought into the *Bundeshaus* by one of his comrades, but he stands erect and scorches Adenauer with his sharp tongue and angry voice. The latter is Chancellor, but Schumacher dominates the chamber; the government's plans and projects are obviously drafted and projected with both eyes on him and his opposition. His harassing of this traditionalist, reactionary, false "free enterprise" cabinet never ceases. The Stalinist spokesmen vie with the neo-Nazi spokesmen in vulgarity and coarseness of expression and thought. Neither count for much in the body. In manner, word and tone both exemplify the worst in German political life: loudness, resounding phraseology without content, vulgarity.

The socialists have moved their headquarters from Hanover to Bonn; a new, shiny and attractive party center; a friendly welcome despite different viewpoints, with helpful discussion and explanation by the international representative and other comrades. Much current information and taking of position available in pamphlets (largely reproduction of Schumacher speeches), but absence of theoretical or historical material. The party does not have a theoretical journal of its own, although the weekly *Neue Vorwärts* partly fulfills this function. We have our first sense of inner-party difficulties and problems: cleavage between young and older mem-

bers; contradiction between local (municipal) and national policies; absence of ideological roots; confusion as to perspective, *etc.* (see conclusion). The party now numbers 1,000,000 members throughout Western Germany and is clearly the largest, strongest, best-organized movement in the country. Very weak among the youth and students, however. Many local organs, and smaller publications. It is sheer insanity for any socialist, of any shade of opinion, not to participate completely in the life of this party.

A visit to Bonn University and discussion with students. Frustrated hopes of the past 6 years are heard from all sides; true, they were naïve to begin with (pacifism, United States of Europe, true democracy, *etc.*) but defeated naïveté turns into sour pessimism and cynicism. These students have lost the drive we noted among them in 1947, even though their material conditions were far inferior then. They are concentrated now on their studies, careers (keeping out of the ranks of Germany's unhappy intellectual proletariat), material things, livelihood. They dislike the government, the state, all parties. Political clubs are numerous, but poorly attended. Only the Catholic youth groups have a certain success; virtually no Stalinist groups. We get the impression that the students, who showed signs of breaking away from their traditional isolation with German society during the years immediately after the war, have once more retired within themselves. If they no longer form the aristocratic élite of the past, they are nonetheless apart from German political and social life. Time lacks to sound their cultural interests or development; Sartre and his doctrines are still flourishing among them, however.

DUESSELDORF/RHINELAND, JULY 10,

11, 12: An agreeable trip to this city, gateway to the Ruhr, on the famous Rhinegold Express. The fields appear in excellent shape; much more agricultural equipment in sight than in France. The Rhine wines are as fine as ever. A stopover at Cologne to see the Cathedral, spared by American technique of precision bombing. The rest of the city is still pathetically destroyed, with little reconstructed.

Duesseldorf, once known as the Paris of Germany, is still an attractive city. Large avenues (Koenigs Allee), parks, lakes, a faint resemblance to modern Paris. The regional differences between Germans (even from city to city within the same region) never fails to impress. The spoken language, appearance and dress, but most particularly, the personality change drastically. An important center of commerce, industry, government; socialist and trade-union centers likewise.

A visit to the Socialist Party headquarters; evidence of party activities, construction of centers in all centers, towns, factory units, etc., of the neighborhood. There are over 50,000 party members in the city and surroundings. An equally valuable visit to Hans Beeckler house, national center of the German trade-union movement (DGB). Friendly officials of the center provide much material on reconstruction of the trade-union movement, and freely discuss the newly-adopted *Mitbestimmungsrecht* (Co-determination law), which has confronted the union movement with a new perspective and new problems (see conclusion). A conflict appears to be brewing between the socialists and the trade-union leadership, including its new president (Fette) over specific issues which include the Schumann Plan, political influence in the unions, etc. The DGB is a completely unified

movement, but this does not mean that political and ideological influences do not express themselves within it. Catholics, socialists, Stalinists, etc., are all alive and active within the unions. The responsible functionaries are mainly young, vigorous types, much interested in the outside world, broader views than their American colleagues, political; many socialists.

Our first contact with one of the leftist, revolutionary groupings in Western Germany: the Independent Workers Party (UAP), formed this year at Worms from an amalgam of former Stalinists, Titoists, Trotskyists, various ultra-leftists. Impossibility of discussing with the leaders who, unfortunately, are away. However, it is not difficult to verify previous impressions about this group received from their press (*Freie Tribune*) and other sources. In no sense of the word a party (several hundred isolated individuals); sectarian positions on all questions; an attitude of hostility toward the Socialist party which precludes any possibility of friendly collaboration (they consider the party of Schumacher in the same light as the pre-war reformist party!); a concentration on winning over the miserable Stalinist movement of Western Germany. The group has had no success and failed to develop since its premature foundation; it is disoriented and evidently starting to fall to pieces. To complete the dismal picture, the indigestible so-called Trotskyist elements within it have begun their factional struggle for "power" and acceptance of their Russian position.

We stay at the home of socialist comrades. Comrade B. explains to us the problem of living in the inflationist, uncontrolled economy of Adenauer. He shows us his monthly pay form, as a city employee. Its story is a revealing one as to actual living

conditions. He supports a wife (housewife) and one child. Here is his situation.

He earns 406 Marks (roughly \$100) per month; this is exceptionally high pay; average is about 250 Marks (\$60).

From this are deducted the following taxes:

Income Tax .....	26	Marks
Church Taxes* .....	3	"
Sickness Insurance .....	36	"
Additional Insurance .....	9	"
Union Dues .....	3	"
Pension Dues .....	16	"
Berlin Emergency Tax .....	3	"
<b>Total Taxation .....</b>	<b>96</b>	<b>Marks</b>

His take-home pay is therefore only 310 Marks, after all deductions; amounting to almost 25 per cent of his earnings! Unmarried men are taxed one-third of their income. *Das Geld ist sehr knapp*, say the Germans everywhere; it is universally true—one has any money. Here are some elementary statistics on living standards, incomes, etc., as of today. Real wages are 33 per cent lower today than they were in 1936. City food prices (1938 equals 100) have risen to 174 in 1950, and 234 in 1951. In general, living standards are about 10 per cent below that of France.

Incomes are fantastically distorted. More than 6 million people earn less than 100 Marks (\$25) per month; 86 per cent of the employed population earns under 400 Marks (\$100) per month (or, 60 per cent of the total income), whereas the remaining 14 per cent earn up to 8,000 Marks (or the other 40 per cent of the national income). Sixty per cent of those working (or, 20 million) earn 400 Marks or less per month. The Social Democratic Party publication, *News From Ger-*

\*In Germany, the church institutions are supported by direct taxation which a member must pay unless he resigns from his church.

many (April, May, 1951) has published the excellent material we reproduce below: "Changes in the Social Structure of German Society."

The present social structure of Western Germany is that of a modern industrial class state and the following statistics prove this.

Population of the Federal Republic = 48 million  
of this, employables, not independent = over 16 million  
54 per cent of the population is Protestant,  
46 per cent of the population is Catholic,  
27 per cent of the population lives in cities, less than in the Reich before the last war.

*Distribution of trades and professions*

	Per Cent
Manual workers	about 44
Salaried employees	about 14
Public officials and employees	4-5
Independent (incl. owners of means of means of production, that is capitalists in the old sense—rough estimate)	about 24
Pensioners	about 14

About 38 per cent of the workers live in towns.  
About 6 per cent of the workers live in the country.

The process of transformation from agricultural to industrial and export state began around 1890 in Germany very rapidly.

1882—43 per cent of the population employed in agriculture.  
1950—20 per cent only of the population employed in agriculture.

The number of dependent workers (wage and salary earners), in the total of all employed persons rose from 60 per cent in 1895 to 91 per cent in 1950. In 1882 about 40 per cent of those employed in production were independent, in 1920 only 20 per cent.

During the same period the number of salaried workers and officials rose from 6 per cent to 18 per cent, and of pensioners and disabled from 6 per cent to 14 per cent.

This development, inherent to capitalism, was influenced and interrupted by outside factors after both the world wars.

Today the whole population and social structure is out of balance. The popula-

tion pyramid has become deformed. Dependence upon foreign markets has increased. In both 1918 and 1945 Germany was stripped of all foreign capital, of export markets, colonies, merchant fleet, etc.

After 1918 the total loss of foreign assets was around 35 million gold marks.

After 1945 this loss was about 13 million gold Marks.

The flight of capital is estimated at 3 thousand million marks already. Reparations and dismantling after both world wars were not the most severe loss from Germany's national assets, except for the reparations and dismantling after 1945 in the Eastern Zone.

The social contrasts are clearly shown in cultural fields:

90 per cent of the West German population attend elementary and secondary schools.

2 per cent are academically educated (universities).

3 per cent approx. of the students come from the working class.

Only 2 per cent from manual laborers.

#### *Income and Standard of Living*

The classification of income and property, and of the standard of living shows even more clearly the social cleavage. Approx. 75 per cent of all workers, employees and officials have a net income of up to 250,— DM. The average West German income is 250,— DM, the number of dependent employees is in a ratio of 4:1 to the independents, but their total incomes are in ratio of 1.5:1.

Of the income below 350—DM 80—85 per cent is used for the following fundamental necessities:

more than 48 per cent for food, etc.

about 20 per cent for housing, of this 9 per cent for rents,

about 17 per cent for clothing.

Of the remaining 15 per cent, only 7 per cent is used for all types of cultural needs, the least being spent on books. Cultural needs are therefore shrinking. Neither is much being saved.

In this family we see, in a still more striking form, that evidence of discontinuity between all forms of German life, thought and activity. A young socialist, active, eager, responsible secretary of an important trade union, anxious to develop both his political life and his personal education. He lives

with an older man, a Social Democrat of the pre-war, pre-Hitler school, mistrustful to the point of disagreeableness toward his young comrade. In the party groups, I learn, the conflict between the two generations is a serious affair. It is not a simple affair of two generations which clash because of normal differences due to age; it is a difference of mentality and psychology. Worst of all, a transitional age group (those in their 40's or late 30's) seems to be missing; these generations were Hitlerized and do not participate in political life. Hence, the characteristic gap. The old Social Democrats, educated in the reformist traditions of Kautsky, Hilferding, the Weimar Constitution, etc., cannot understand these dynamic, younger socialists with their absence of theoretical training, knowledge and tradition (of any kind!). "They were raised under Hitler," they say, "and don't understand democracy." By that, they mean the concepts of Social Democracy during its most reformist period. On the other hand, the younger elements confuse education and training in theory with the stale doctrine of reformism during the 20's and 30's! There is no contact between the two groups; a vast hole was formed by the Nazi epoch and no abstract education can fill it up. Perhaps the most significant achievement of Schumacher has been to bridge partly this gap, and hold the party together by giving it a national viewpoint and program, thus lifting it out of the field of traditional municipal and local Social Democratic politics (which constitutes the main activity of the Old Guard). The young socialist generation, active trade unionists, party functionaries, etc., are the real life of the party.

But what education shall they be given? In reflecting on this question, we feel the inadequacy of the tradi-

tional ideas of socialist education; not only that of the reformist school, but of the radical socialist schools. Abstract doctrine can never shape these comrades into a coherent group of socialist leaders; they are primarily concerned with the concrete experience of their own activity: trade-union work, co-determination in the factories, organization and administration of economic and social institutions, etc. A new type of socialist is emerging everywhere; those who cannot recognize this fact will never touch them. With all his failings, our young socialist friend (unhampered by false, doctrinaire hangovers), rooted in the concrete but anxious to deduce broader truths from this concrete, is worth a hundred of the resentful Old Guard, weighed down by their sterile traditions. But much more must be said on this matter. . . .

ESSEN/RUHR, JULY 13, 14: The city of Essen lies in the heart of the Ruhr district, that territory of valleys and hills constituting Europe's greatest industrial concentration. The train speeds past huge factory units, coal pitheads, bureaus, freight yards—all the signs of an enormous and active industrial center. Innumerable coal towns are scattered about; cities are linked together by their factory suburbs. Essen is the industrial and administrative heart of the Ruhr; in all directions trails of black smoke and a vague haze of soot.

Essen itself has a tragic appearance, completely destroyed. Of all the cities we visit, Essen most resembles the ruined cities of 1944 and 1945. Huge areas covered by skeleton walls, much rubble, people still in huts or cellar caves. On a hill stands the remains of what must have been an elaborate and gaudy Jewish synagogue, probably the reformed group. A new memorial in

front of it tells us that the 2,500 Jews of Essen were gathered here before being shipped to their death. The building is sealed, scorched and blackened—by the Nazis, or by the bombing? A woman, waiting for a street car, approaches and suggests that perhaps, someday, the synagogue will be rebuilt and opened. She accepts our comment that that depends upon the German people. She describes the entire city as a memorial to the dead. But on the city's outskirts, the smokestacks of the Krupp Werke are busily producing. It is not possible to remain very long in this city. On our way out, we pass a large group of unemployed gathered around the *Arbeitsamt*. Many of them tell us they are refugees, from the East—poorly dressed, rather depressed and desperate looking. They live on an insignificant relief; there are still 11½ million unemployed in Western Germany.

HAMBURG/NORTH GERMANY, JULY 17-21: The trip to Hamburg from Essen is a long, but interesting one. We stop at various cities on the way for a brief tour, or to spend the night: Bochum, Dortmund, Münster, Osnabruck, Bremen, etc. The industrial cities appear to be highly active (people speak of a partial boom), the administrative and commercial centers are more sedate. But everywhere, the Germans walk as all industrious, individualist people do: in a straight line, never stopping, their minds set on their goal. There is none of that relaxed, street-corner informality of France here. In Dortmund, we begin to feel the pinch of insufficient travel funds: prices are considerably higher than we expected (particularly hotels, which range from 6 to 10 Marks for a night). Food is high; coffee impossible.

After the smoking city of Bochum,

we leave the Ruhr, touch on the northern fringe of Sauerland, a beautiful rolling strip of the northern plain and the Totenburger Wald, and pass rapidly through the first towns and ports of northern Germany. Bremen forms the American enclave of the north, a busy port now receiving the numerous American military formations on their way southwards. The people watch in the streets, but say little or nothing; it has become a familiar sight, even in reverse. The approach to Hamburg takes us through a corner of the famous Lüneburger Heide, the heather region of the north. Our first impressions of the city are that of an immense seaport, active, well-built-up, cosmopolitan atmosphere. We are not wrong; Hamburg is one of the most advanced, international, sophisticated cities of the country. Our visit here is worth every moment of it. . . .

Several long and valuable discussions with Dr. H., who welcomes us with generosity and spontaneity. An old Marxist and socialist, now in the Social Democratic party, he describes the difficult and bureaucratic atmosphere to be found in local formations, where the old party leadership dominates. The city of Hamburg forms a *Land* by itself, thus creating a double administrative apparatus (city and *Land*), as well as having a considerable revenue from taxes and port activities. Conditions for the creation of a bureaucratic apparatus are more favorable than anywhere in Western Germany; the Social Democrats who hold power locally have not missed their chance. We learn of the incredible story of recent weeks where students of Hamburg University, demonstrating for retention of reduced student fares, were set upon by Burgermeister Brauer's police and fire de-

partment as "communists"! German students as "communists"!

Many left-wing socialists in the SPD have become seriously demoralized by the behavior of the party bureaucracy, and the grip retained locally by the older elements. They are pessimistic and lack a sense of the concrete possibilities. Will the party win an absolute majority in next year's general elections and thus form the government of Western Germany? They are sceptical and doubtful, although they do not exclude the possibility; or the alternative of a coalition government with one or more of the refugee parties. The Christian Democrats are in decline; the Stalinists have been badly beaten throughout Germany, but the perspective is for a rebirth of the more reactionary, rightist groups. In Hamburg we are first entering the territory of the various so-called neo-Nazi parties and groups (SRP, etc.). We discuss in detail alternative possibilities, the need to have a clear outlook and perspective, to engage in concrete work. The elements for a broad left wing in the SPD certainly exist, but the will to create it, the leadership and the leader, appear to be absent at present. Too much pessimism and abstentionism in this milieu!

Why is this? Much of the explanation is at hand; despite wide belief in these circles that war is not at hand and the Russians are far weaker than is generally accepted, there is a great sense of Western Germany's inability to play an important rôle because of its unfavorable position in the world; an even greater sense of frustration, lack of contact with one another and with international circles, lack of any centralizing theoretical or political journal. Much interest in Bevan and his movement, with the hope that it

may stimulate regroupment efforts elsewhere. Lack of initiative and drive, largely due to the overwhelming occupation with gaining a living under adverse conditions, long hours of work, fatigue, etc. The German radical intelligentsia has a difficult time of it!

We hear a discussion on the issue of German remilitarization (*Wiederaufrüstungs politik*) (see conclusion). Everyone assumes that there will be some form of German militarization, that it is inevitable—in fact, that it has already begun. Considering the ever more frequent appearance of thousands of young Germans in new, blue-colored uniforms in all the principal cities of the country, there would seem to be much truth in this! These men have enlisted in the *Bundespolizei*, but the charge is that they form basic cadres for the new army. In appearance and uniform, they resemble the old Wehrmacht soldiers, down to the peaked cap—only the color has changed. The issue, we are informed, is no longer, shall there be remilitarization, but what form shall it take; what tactical and strategic goals shall it have? We find no agreement over this. The American proposals are denounced as half-way measures which defeat their own purpose and only serve to provoke the Russians. There is not much clear thinking on this issue; our friends consider war, *per se*, so futile and incapable of settling anything that they automatically transfer this feeling to the belief that Germany is indefensible and helpless in the given situation. We question them as to their views on the concepts of a popular army, people's militia, etc., the views of the old Jaurès in his famous book. They are interested, but seem not to have reflected before on such a concept.

Dr. B., a highly cultivated socialist,

thoroughly trained in economic subjects and administration entertains us with stories of his experiences with the Russians. The Germans know the Russians better than anyone else; you must learn to outdrink them, they say, or you are lost! There is no hysterical denunciation of the Russians as such, but an effort to understand them as human beings and to find their weak points. This man has no fear of them; given support and a policy, he would be prepared to meet them on their own terrain. He describes for us the industrial and economic problems of the Ruhr, the revival of the Ruhr barons ("the most cynical bourgeoisie in the world"), the effect of American policies in the Ruhr, the false economy of Western Germany. There are many highly capable left-wing socialists like Dr. B., who, somewhat discouraged and isolated, are unable to exercise their talents in this stagnant land of Adenauer. Would a socialist electoral victory bring them to the front? The party could never depend upon its Old Guard to carry on a progressive government; much would change with such a victory.

This lively, energetic Hanseatic city is certainly one of the intellectual and political centers of Germany; its atmosphere is much freer than that of other German cities. Huge areas are entirely razed, but large parts of the city were completely untouched by bombing. The style of bombing was different here, and what is left forms a genuine city. The port area, the old city, St. Pauli and various suburbs give a personality to Hamburg we have not found elsewhere.

HANOVER/SAXONY, JULY 20: A trip to this commercial and administrative center of Saxony; a few brief hours passing over the Lüneburger Heide, a beautiful agricultural territory. In

Hanover, we are told, the most perfect German is spoken, with a clear and elegant accent. There is much industry, "Volkswagon" factory and assembly plants (old model car is 3,000 marks; new model for export is 5,000). The Hanoverians are active, rather aloof, distant. We remember that Saxony is the center of revival of the new reactionary movements (SRP of Remer, *etc.*), that it has a tradition much different from Berlin, Hamburg, the Ruhr. Yet, until recently, it was the headquarters of the Socialist Party, and SPD strength is a major factor in the whole territory. The city was badly damaged by the British; there is much facade reconstruction in the center; a huge reconstruction and building show is being given.

In a discussion with local socialists, the issue of perspective is frankly (and somewhat pessimistically) sounded by an excellent left socialist, G. He does not believe the party can win the next elections, that too many neo-reactionary forces (encouraged largely by the Americans) can prevent such a development; the evolution of the trade-union movement and the concretization of its newly-won *Mitbestimmungsrecht* (see conclusion) are more important. He warns against an abstract interpretation of this new law, and the assumption in Marxist circles that it must necessarily create a layer of bureaucratized worker-delegates. Integration of all left socialists in the party through practical and concrete work (he holds an elective county position, unknown in America, which brings him into contact with a multitude of people), seems his central idea.

We visit a *Bundesschule* located in a town outside of Hanover. These are regional trade-union schools, organized all over Germany by the central trade union (DGB). Systematic courses of 2 or 3 weeks length are held with-

out letup; picked worker delegates, secretaries, *etc.*, attend these courses in trade-union problems, organization, co-determination, legal rights, *etc.* Nothing so thorough or organized exists to our knowledge elsewhere. It is a true trade-union school; a part of the broad revival of German workers' education; very impressive and important.

NUREMBERG/BAVARIA, JULY 23: A long and very beautiful trip to Nuremberg, broken off for short stops at the university city of Göttingen, Fulda, Würzburg, *etc.* We are back in the American zone of occupation, our first return in six years! In the train (travelling first or second class) are the first GIs we have so far seen; Nuremberg is full of them, wandering about, seemingly lost and with nothing to do. (A GI in a foreign land seems to cultivate the air of not belonging there.) The long rolling hills and woods of the *Fränkische Schweiz* through which we pass for hours seems to us one of the most attractive parts of all Germany.

The Nuremberg we last saw was one of the most battered cities of the country; the old medieval city of Hans Sachs was a pile of garbage, with most people living under the pile. We were anxious to see what had happened to all of this in 6 years. This is apparently one of the few cities where a co-ordinated municipal effort has been made to disperse the ruins of the past and resurrect the old city. Restoration of the medieval towers, walls, churches, *etc.*, is evident everywhere; the famous *Dürer Haus* is back, as well as the statue of Hans Sachs. The toy, leather and other light industries are said to be restored also. These Bavarians are not political types; the socialist movement is feeble in southern Germany. They are lighter, more

ready for adventure than their northern countrymen. At the moment, they are quiet and remain with their traditional conservative, Catholic and reactionary parties. The presence of numerous Americans in uniform is a part of the scenery, just as much as the ruined structures of the city's suburbs. A mutual indifference.

MUNICH/BAVARIA, JULY 25: The university city of Erlangen, slightly north of Nuremberg, has taken on a new appearance (and prosperity) with the transfer of the huge administrative center of the *Siemens Werke*, German equivalent of G. E., from Berlin to the city. Testifying to the real capabilities of German industry, a series of excellent apartments for the employees, have been built. The capital exists, when the big firms want to make use of it, but neither municipalities nor coöperative associations can lay their hands on any. En route to Munich we pass through the dense agricultural areas of southern Bavaria, Augsburg and cross the Danube at Donau; agreeable countryside approaching Munich and the Alps of Austria and southern Germany.

Munich itself is a jammed city of perhaps 1,000,000 now; the characteristic Munich type seems partly drowned in the mass of refugees from Silesia (many of whom have a strong Polish appearance), the Czech Sudetenland and the east generally. The city is a center of refugees, and refugee organizations: Russian, Ukrainian, Czech, Polish, *etc.* It has lost much of its former personality, not at all a bad thing. The socialists are stronger than before, under left leadership, but many people are on vacation and there is little occasion for discussions. We visit the severely damaged city; little reconstruction in sight. The old churches are still unrepaired, but the famous

*Deutsche Museum* has been restored. Placed on an island in the river, this scientific and natural history museum is completely fascinating: realistic reproduction of the interiors of coal and iron ore mines, halls of communications, transportation, *etc.* Where else but in Germany could one be conducted by a guide through a hall of ancient musical instruments and have this same guide sit down and demonstrate each instrument with Beethoven, Bach, *etc.*? New halls in the museum indicate new development in German physics and research work. This place alone warrants a visit to the city.

The Bavarians seem to have no political life worthy of the name; they live on an easier level than their brothers to the north. It is easy to understand why American visitors feel more at home in southern Germany; it is a kind of glorified mid-west region.

FRANKFURT-AM-MAIN, JULY 28, 29: A long night trip through southwest Germany to this commercial, business and administrative city which bears most heavily the mark of the war, the occupation, and its consequences. The "American way of life" is in evidence on each street, each corner, each building. The city is the departure point for tourists, business men, officials, military people, *etc.* Every act here has an official character, dimly related to some decree, directive, law or authority. Reactionary nationalists and left-wingers avoid this city, feeling it is not a part of the new Germany. After a short, somewhat boring stay we take the train back through Saarbrücken, *en route* to Paris. The tour is over; is it possible to find any consistency in this multitude of observations?

PARIS/FRANCE, AUGUST, 1951: *Con-*



clusions: The time necessary to digest the multitude of registered impressions and observations has passed; what rough conclusions may be drawn from this trip? We shall resumé them under three headings: (a) *The question of rearmament*; (b) *The Social Democratic Party and its perspective*; (c) *Co-determination and the unions*.

**Rearmament:** "The Allies made war upon us because we were too militarist," writes a German liberal publication. "Now they attack us for being too pacifist!" The lesson that war does not pay was thoroughly driven home by the Allies, particularly the Americans. Now the same gentlemen complain bitterly about the unwillingness of the German to "defend" himself, to take up arms again. The irony is a little too evident and lost on no one.

Yet the general German attitude has considerably evolved since the period of the *Ohne mich* ("without me") movements, when the rearmament issue was originally posed. In point of fact, German rearmament is now inevitable and the only question is just what shape, form and extent it will assume. Actually, the elements of rearmament have already begun, but the process of conditioning the population to its acceptance is not yet complete. But they will be completed, and the young German men (like so many others) will once more know the feel of a uniform and a rifle. How many is another question. But the American determination to rearm Germany, despite the coolness or hostility of other Atlantic Pact members, gives rise to other factors not exactly welcomed by the same power: we refer to the mushroom rise of genuinely reactionary, chauvinist movements, organizations of Wehrmacht veterans, etc. The American conception of a rearmed Germany consists of subordinate for-

ces with limited armament, within an Atlantic Pact framework; an essentially defensive force to meet the first shock of a Russian advance. An army, in a word, fitting the conservative, weak, coöperative Adenauer government. But other gentlemen have other ideas! The revival of authentic chauvinism, militarism and expansionism eastwards (beginning with reconquest of lost territories) follows automatically. To be sure, all German veterans' organizations are not reactionary; most express legitimate pension, and other demands of the veteran mass. Further, only 1 out of 10 veterans belongs to any organization, so far. But the fashion in which American policy conceives rearmament automatically releases the most hostile and traditionally reactionary forces within Germany, whether the Americans like that or not!

What is the position of Dr. Schumacher and the SPD on the question? Naturally, it has had a rapid evolution since the question of remilitarization was first posed. But one aspect has remained consistent: the question cannot be considered in the abstract, apart from the general international position of Western Germany, the occupation status, the problem of Ruhr ownership, the kind of rearmament proposed, German economic life, etc. The SPD has rejected rearmament as conceived of by Adenauer and the Americans; it has equally rejected an absolutist and abstract "anti-rearmament" position such as put forward by pacifist organizations, the new UAP movement, etc. How, instead, has it approached the problem? The essence is contained in the principal speech of Schumacher, early this year, which was widely distributed in pamphlet form: "*Gleiches Risiko, Gleiches Opfer, Gleiche Chancen!*" ("Equal Risk, Equal Sacrifice, Equal Chances.")

This brochure describes the conditions under which German rearmament can take place: the absolute independence of Germany in relation to the remnants of the occupation and its controls; an ending of the reactionary, anti-social policy of the Adenauer régime within Germany; the practice of a program of social reforms and measures to end unemployment, uncontrolled price structure, etc., solution of the Saar question; an ending of the Schumann Plan in its present form and the policy of the allies in the Ruhr; support of the SPD campaign for German reunification. For Schumacher, only the German masses can decide the issue of rearmament, along with the other issues before them. The *sine qua non* of such decisions is complete restoration of national independence; it is in this context that one must understand the alleged "nationalism" of the party spokesman and his party.\*

Put in such a fashion the question of rearmament becomes a social and political question, centered about the inner political life of Germany itself, and the struggle for a Social Democratic electoral victory and the creation of a progressive régime in the country. Rearmament then becomes an even more concrete question: under whom, what kind of an army, socially and politically speaking; what conditions will be fulfilled first of all, etc.? The real struggle, then, in Germany has become one of how rearmament shall manifest itself; not the issue of an abstract principle. This is how it must be understood. And it is here that we can best touch upon the question of what is the perspective of

\*The reference here is, of course, to the hypocritical attacks upon Schumacher's "nationalism" made, above all, in the American bourgeois press. Schumacher's position from the socialist standpoint is quite a different matter.—Ed.

the Social Democratic Party of Germany.

**The Social Democratic Party and its Perspective:** The party now has one million members, and is at the height of its post-war influence. Any socialist who stands outside its ranks is clearly wasting his time (and that of other people). It is the most important and progressive party in continental Europe. Some sectarian circles of Trotskyists and others similar to them are fond of describing the SPD in terms of the old, pre-war, Weimar Republic social democratic reformist movement. Blinder nonsense could not be spoken. The party is a mass of contradictory tendencies of a greater or lesser potential development: old reformist elements, a mass of enthusiastic but uneducated socialists, a splendid layer of trade-union responsables and organizers, a scattering of left-wing socialists, two or three isolated and thoroughly sectarian grouplets (*Funken*, etc.) living a useless existence, a section of youth. The new social basis of German capitalism make it impossible for the pure reformist element to advance the illusions of an "organic growth with capitalism" as they once did. This is a new kind of socialist party, which must find a new social base and program.

That base, of course, can only be found by conquest of power over the real economic life of the country: the heavy industries, the Ruhr, the credit machinery, etc. At the same time, the socialist interest in the trade-union movement is far different from that of the pre-war days. The socialists today want to see the unions become instruments in this same struggle for control over industry and its products; hence their development and pushing of the co-determination issue. The circumstances of life in Germany oblige the socialists to advance the most progres-

sive, militant and practical kind of economic and social program; and to prepare to put it into effect. The perspective of the party is to take political power throughout Germany, to form the government, and to carry out their program much as the British Labour Party executed its program. This includes wresting of the Ruhr industries from private ownership and their complete nationalization; institution of a controlled economy of prices, wages and profits; a reformed tax structure to accomplish equalization of wealth and a series of social reform measures affecting housing, education, pensions, etc. Why should not the party carry out such a program if it receives the popular mandate from the German people? Speed the day of elections and electoral victory!

*Co-determination and the Unions:* "Co-determination" is now operative in all the coal and iron and steel works of Germany having 1,000 or more workers. It is the most significant development in European post-war labor history. To prejudge it as a "bolstering of capitalism," or an employees' concession to curb trade-union development, or a revival of pre-war So-

cial Democratic *Arbeits gemeinschaft* policy, would be to misunderstand grossly the situation and preclude a progressive development of this instrument for workers' experience and training in the techniques of industrial management and commerce. Indicating the "algebraic" character of the entire concept, the law itself does not define but simply declares that *Mitbestimmungsrecht* exists in specified industries, etc. Obviously, the future will see what concrete content is given this juridical formula; the struggle for the decisive 11th man representative on the managerial council has already begun. Further, the unions and the SPD have joined together to demand the extension of this system to all German firms and industries having 300 or more workers. The heart of the matter seems to us the fact that co-determination has provided a framework within which not only can the best workers' representatives gain invaluable experience for the future, but also a managerial and economic consciousness on the part of the mass of workers can be enhanced. This should not be underestimated.

HENRY JUDD

## Comment by Alfred Rosmer — —

(Continued from page 250)

ism" finally assumed the aspect of a deformation of communism, unsupported in certain respects, the disavowal became mandatory. Marx once found himself in a similar situation, when, no longer recognizing himself in the "Marxism" of Hyndman, he exclaimed: "If that is Marxism, I am

The American Trotskyists had some reason to consider themselves the continuators and the qualified representatives of Trotsky. When he found refuge in Mexico, he was in close contact

with them, and in the discussions which led to the splitting of their party in the winter of 1939-190, Trotsky was on their side. That brought them an exceptional influence among the groupings of the Fourth International. Their sincerity and their devotion could not be questioned. Their essential error comes from their belief that the best way of remaining faithful to the teachings of Trotsky was to stick blindly to the position of 1940: "Russia is a proletarian state; the defense of the U.S.S.R. remains in the

program of the opposition." The upsets which shook up the world left them unmoved, for Stalin's armies were carrying the revolution with them. On all the fundamental questions, their positions were—and are—always the Stalinist positions; sometimes they are even more royalist than the king, more Stalinist than Stalin. Having remained frozen to the theses

of 1940 prevents them from understanding that Russia is no longer anything but a Great military and militaristic Power, which carries out nothing but the traditional policy of the Great Powers, placing on it its own stamp only by virtue of the bestiality of a totalitarian regime with the blessing of the Metropolitans.

A. ROSMER

## India's Foreign Policy Examined

Socialist Party Leader Explores Government's Position

We are pleased to publish the article that follows as a valuable contribution to understanding the position and the views of the Socialist Party of India. Both because of its own unique development, and because of the enormous and growing international importance of present-day India, the Socialist Party of India occupies a position of first-rate significance with all but limitless possibilities of development as a force of world-wide weight.

The difference between the Socialist Party of India and the Social-Democratic parties of Europe has been noted on other occasions. The following article, which first appeared in the May 20, 1951, issue of the S.P.I.'s English organ, *Janata*, further emphasizes the difference. Despite the urgent appeals by American Social-Democrats and liberals that the Indian socialists mend their ways and align themselves in the camp of American imperialism, the Indians have steadfastly maintained their independence not only from Washington but also from Moscow. They have refused to be dragged into the trap of fighting Stalinism under the command of American imperialism or into the trap of fighting capitalist imperialism under the command of Stalinist totalitarianism. We can only greet enthusiastically this stand which is so close to our own, and wish for its further extension. It is a strong and living link in the chain of working-class and socialist internationalism that must

be re-forged throughout the world, and proof that the chain can and will be forged again.

The author, Asoka Mehta, is general secretary of the Socialist Party of India. The article, which has been slightly abridged for reasons of space, while remaining faithful to the author's thoughts, shows, among other things, the considerable interest among India's socialists in the developments in Israel. The "babus" referred to are Bombay Jews who settled in India many centuries ago. There are several such colonies or residues of colonies along the Western coast of India, some going back 700-800 years in their origins, whose religion, as well as other modes of life, have been largely Hinduized. Yet the attraction of Israel has recently become very great and many of these Jews have left the land in which they had become so deeply rooted to move to Israel. This phenomenon has been regarded with interest by many Indian observers, and accounts for Mehta's comments.—Ed.

The internal policy and the foreign policy of a country always interact. There are occasions and situations where foreign policy exerts the dominant influence. In the case of our country, however, for obvious geopolitical, if for no other reasons, it is the internal policy that has to play the dominant role. A significant for-

eign policy can develop only on the basis of a vital internal policy.

The government of India's foreign policy today is therefore, like Hamlet without the Prince of Denmark. The failure of the Indian government to evolve and unfold a policy that enthuses the people and fills the sail of the ship of state with the wind of popular ardor fatally weakens the foreign policy.

Before we discuss a vital internal policy for India and outline its impact on the foreign policy, it is necessary to dispose of the attitudes of two groups in our country, belonging to two rival camps but in fact stemming from the same point of view. These two groups have little faith in the creative abilities of our people. In the crisis-laden world around us, they do not credit our people with power of decisive action. For them the world is operated only by a Great Power: people, even of a great and ancient land are devoid of real meaning to them.

Both in defense and in internal development the two groups look to outside aid and lead. For them the people of India in the present phase of history are destined to play the second fiddle.

One group relies wholly on the United States. It would like India to be the barnacle of the American ship. It longingly looks to the armed might of the U. S. for defense and to dollar aid for economic development. Collaboration with America becomes the keystone of the arch of its policy.

The other group looks with the same eye of faith toward the Soviet Union. The attitude of this group, which is to be found in almost every country of the world in a larger or smaller measure was recently aptly stated by Signor Valdo Magnani and Signor Aldo Cucchi, two dissident Communist deputies from Italy:

There is a widespread opinion in the Communist Party that revolution can take its flag forward only by means of war. . . . It is thought, in other words, that in the present stage of the world struggle revolution can win only on the bayonets of an army that invades our country.

I know that these comrades are thinking of the Red Army or the armies of the People's Democracies. But the opinion that revolution can win only on the bayonets of an army crossing our frontiers, what does it represent today? It means that war is considered inevitable, and this is an error that prejudices the whole struggle for peace. The strength and capacity of the Italian working class is under-estimated, and everyone waits for forces from abroad to solve the situation. This is another error.

This is not an isolated view, or an aberration, but a "new" theory of revolution. That fact is brought out by Svetozar Vukanovic in a brilliant brochure entitled *How and Why the People's Liberation Movement of Greece Met with Defeat*:

Where are the roots of this "new" theory of revolution formulated by the leadership of the Soviet Union (the theory that under present-day conditions the victory of the revolutionary movement in this or that country is impossible without the direct armed intervention of the Soviet Army)?

This theory (just like the theory about the impossibility of realizing socialism in a single country without the help of the Soviet Union) is an expression of the centralistic and hegemonistic policy actually pursued by the Soviet government. For, the Soviet government tries to have all the Socialist countries made dependent on, and subordinate to it, to have all revolutionary movements obligatorily adopt, not that policy which might correspond to material or spiritual conditions of the people of their countries, but whatever policy corresponds to the interests of its own centralistic, hegemonistic policy.

THE INDIA SOCIALISTS REJECT THIS

THE NEW INTERNATIONAL

"new" theory of revolution, whether it be oriented to the Capitol or the Kremlin. They reject the "centralistic, hegemonistic" claims of either of the Great Powers. As such their foreign policy is an assertion of democratic and pluralistic world-view. It rejects monolithic pretensions of power blocs and believes in developing an independent initiative. They pitch the tent of their independent foreign policy on the highland of Indian people's strength and self-confidence. They are therefore convinced that the *sine qua non* of an independent foreign policy is a socialist home policy.

A weak and confused home policy, as pursued by the Congress Party today, undermines the *morale* of the people and makes them prey to a foreign policy that stems from the "new" theory of revolution. Prime Minister Nehru's "independent" foreign policy lacking the ballast of a sound, socialist home policy has failed to evoke the enthusiasm of the people, of "the workers in fields and factories," of whom the Congress Party was once fond of talking, and is resulting in polarizing Indian opinion into two rival camps of followers of Washington and Moscow. "Independent" foreign policy of Nehru should not mean dividing the country impartially between the "friends" of the two power blocs!

Before we trace the outlines of a socialist foreign policy let us briefly list the fundamentals of a socialist home policy. They are (1) economic equality, (2) social mobility, (3) political democracy.

In India today sharp inequalities exist. The pyramid of distribution of the national income shows the shape of a wide flat base and a tapering apex. The table sketches the design of the tapering apex.

Income Range of	population % of	% of income national
3,000 — 4,999	0.86	2.05
5,000 — 9,999	0.37	2.00
10,000 — 14,999	0.13	1.18
15,000 — 24,999	0.08	1.25
25,000 — 49,999	0.05	1.5
50,000 — 99,999	0.016	0.94
100,000 and over	0.008	1.25

While in progressive countries economic disparities have narrowed, in India they have widened. . . .

In Communist Poland, in a factory, the spread-out in the incomes of a manager and an unskilled worker is seven to one, in India it is eighty to one! And it needs to be noted that the wages of the unskilled workers are almost the same in Bombay as Warsaw.

In Socialist Israel the managing director of an establishment with few family encumbrances may earn less than an unskilled worker with a large family working in the same factory.

In Labor Britain a coal miner earns £300 a year and a junior civil servant £400 a year, while a manager of a coal mine earns 700 to £800 a year.

Even in a country like France the spread-out between the salary of a secretary-general of an administrative department and his peon is eight to one. In India it would be fifty to one.

Economic inequality not only drains the pool of capital accumulation needed for economic development but divides and dispirits the people.

Even more important is the need of social mobility.

In Communist Poland, in the past four years, 8,000 workers have risen to the position of managers of industrial factories. In the universities almost 75 per cent of the students are drawn from peasant and worker families.

Even in capitalist America, a significant proportion of even business lead-

ers came from lower income groups:

It is this lack of social mobility that has robbed our freedom of its *élan*. For decades there has been social stagnation and social regression in our country. That has created a climate of indifference and disenchantment. A vital home policy that would give India economic equality, social mobility and rapid development would have changed the climate and released the creative impulses of our people.

WITHOUT RELEASING SUCH IMPULSES, even foreign aid is meaningless, and that is a lesson which notwithstanding the bitter experience of Nationalist China has yet to be learned by the "friends" of Washington. Israel, for instance, received last year over £75,000,000 as foreign aid in different forms. As a matter of fact Israel ministers are in the habit of going out constantly to Europe, America and South Africa on "begging tours" as our ministers are wont to tour round the country laying foundation stones of edifices and institutions that generally fail to get built! These foreign loans have been able to irrigate Israel's economy because of the new *élan* of the people. Woodrow Wyatt after a visit to the country reported:

So far, the great majority of the immigrants accept the atmosphere of unstinting work. "We are clerks," said the Indian Jew from Bombay, "but now we must do it." All around him the *ex-babus* from Bombay had set to with enthusiasm to construct the coöperative village, constructing the roads, preparing the ground, and building the simple houses.

Wyatt believes that "a government operating on sound democratic socialist lines" has, to no small extent, worked the miracle. (*The Jews At Home*, p. 10.)

As a Bombayman I know hundreds of *babus* of my city. I have not seen

this spirit among them after the achievement of freedom. The main fault lies in the unimaginative and uninspiring home policy of the Congress governments. What Bombay *babus* are able to do in Israel surely can be got out of them in Bombay, provided the right appeal and the atmosphere are created. The experience of the Socialist Party in this direction, in recent months, confirms this analysis.

A socialist home policy would provide India with a program, an ideology, a faith distinct from the American way of life or the Soviet way of work. It is the absence of such a program, ideology and faith, and not just absence of guns and butter that makes India's claim for an independent policy sound almost hollow.

The new home policy would offer a rallying point to similarly situated countries in South and South-East Asia. Against the "hegemonistic" efforts of Moscow and Washington would emerge a new focus for Asian countries readily acceptable because it will be based upon equality between nations, as its very basis is faith in one's people and working for the release of the creative energies in them.

Socialist India would strive to develop close economic and political relations with Pakistan, Burma, Ceylon, Indonesia and other countries of north-west and south-east. The coördination would be attempted on three levels: government, party and the people. The close association between socialist movements in these countries would give an added meaning to the coöperation fostered on the government level.

Such a group of states irradiant with democratic socialist ideology and energized by the *élan* of the people would be able to fill the vacuum that

might arise in any part of North-West and South-East Asia by the withdrawal of Western Powers or the weakening of the Kremlin influence. Today India's ineffectiveness arises from the fact that she has no means of filling up the vacuum that would occur by the withdrawal of the French and the British from Indo-China and Malaya. In Indonesia India's efforts were persistent and successful because there was a third "power," neither colonial nor Communist, that could fill up the vacuum created by the withdrawal of the Dutch. In Indo-China our government recognizes neither the Bao Dai régime nor the Ho Chi Minh régime. "Neither this nor that" may be a convenient strategem but not effective statesmanship.

The Third Force can grow only on the basis of a vital home policy, it cannot be built up by becoming an honest broker of peace between the two rival power blocs.

INFILTRATION IS A FAVORITE TACTIC of the two power blocs, particularly of the Soviet bloc. The Chinese occupation of Tibet has already honeycombed parts of Assam with Communist guerrillas. It will not be possible for long to continue the policy of friendship with Soviet China while repressing Communist activities at home. As Yugoslavia has shown it is possible to develop resistance to Communist overtures in the people. An indigenous faith and *élan* can make the Chinese too, thoughtful and respectful about Indian ideology. China has greater economic difficulties than India and it will not be easy for the new régime to organize economic reconstruction. If India is moving along democratic socialist lines simultaneously, the allegiance of the Asian people would rather swing to Delhi than

to Peking. And such an allegiance becomes a mighty weapon of foreign policy.

The nationalist movements in Africa have received no little inspiration from India and they look for support to us. So far little interest has been shown in them. The first step would be to make our people aware of these movements. Leaders of African nationalism should find in India friendship and understanding. That understanding could then be extended to other countries of North-West and South-East Asia. The Third Force has to become the spear-head of the aspirations of the submerged people for freedom and new life.

The Socialist Party, with its limited resources, has been doing some of these things in its non-official capacity. In parts of Africa the glow that once used to be felt at the name of the Indian National Congress is now felt at the name of the Indian Socialist Party. If there had been a Socialist government in India, the glamorous personality of the Prime Minister would not have been the *sole* focus of attention and allegiance to India.

Socialist India would take a keen and sustained interest in the Movement for World Government. This movement may be weak today, but sooner than later men's minds, weary with war, will turn to it. It needs today the fostering attention of a state that is willing to slough the skin of sovereignty. What other country is better suited for this role than Gandhi's India? A World Assembly elected by the people must bring to a focus people's emotions and will for world unity. Socialist India would quicken this impulse for a vital change in international relations because the rock on which its edifice is built is faith in

the creative abilities of the people.

A tragically divided world is hungry for a new faith and a new adventure. Not by indulging in patchwork solutions, but by functioning as an "honest broker of peace" in international disputes can one evoke that faith and embark on a voyage. What the world needs is a re-enactment on the international level of Gandhi's march to Noakhali: in a sick and a split world

a nation marching forward with faith and confidence to sanity with the courage that only a man heavy with mission has. Socialist India would give our people a touch of that courage and impart to our foreign policy its driving power and radiant glow. That would be the bursting on the world scene of the Third Force more vital than the two armored blocs.

ASOKA MEHTA

## The Middle Class in U. S. Society

A Discussion of the New Book by C. Wright Mills

The mechanization and concentration of production in America has brought with itself a vast increase of the sociological phenomenon which is usually described as the "new middle class." And with its expansion in numbers has come the inevitable proliferation of theories about the political, economic and social rôle which this group is likely to play.

C. Wright Mills' new book\* is an exceptionally valuable contribution to this discussion. Written in the brisk, readable style to which we have become accustomed in Mills' work, it is a serious attempt to analyze the historical pattern of the rise of this group in American society, its social, economic and psychological characteristics, and its probable political rôle.

The difficulty which one encounters in defining "the new middle class" gives a clue to the ambiguous position it holds in the social structure. As Mills points out, it can best be defined not by a description of its own characteristics, but by contrasting it to other, easily definable economic classes. The

bourgeoisie is the class whose social rôle is defined by its ownership of capital. The new middle class, like the proletariat, does not own means of production, although at its apex it may exercise vast administrative powers over masses of private capital, and often supplements its income and bolsters its position through actual ownership.

In their vast majority the office workers, salespeople, teachers, technicians and foremen who make up the rank and file of the new middle class are propertyless. As time goes on they can be distinguished from the industrial proletariat less and less on the basis of income, education, leisure time, security of status, etc. The best criterion which sociologists and statisticians have been able to develop to distinguish them from the classical proletariat is that they perform their work in their street clothes, in "white collars" rather than in blue denims.

The growth of this group in American society over the past seventy years has been tremendous. According to Mills, the old property-owning middle class declined from 33 per cent to 20 per cent of the gainfully employed

population between 1870 and 1940. During the same period, wage workers declined from 61 per cent to 55 per cent, while the new middle class *increased* from 6 per cent to 25 per cent.

Despite their growth, however, they do not represent a "stratum" in capitalist society. Rather, they form a pyramid of income, social power and prestige inside the larger social pyramid. At the top are the big executives and administrators of corporations and government departments. The middle ranges form a broader group of secondary executives, managers, and successful professionals. The broad and deep base is made up of the people who, along with the manual workers, are administered, directed, and manipulated by the higher echelons.

THE FIRST SECTION of *White Collar* is devoted to an analysis of the decline of the classical middle class of small property-owners. The evidence on this is now so overwhelming that only writers of advertising copy have the courage to deny it. There are now four times as many wage and salaried workers as independent entrepreneurs. The farmers, once the backbone of the small property-owning class, have declined to a tenth of the occupied population, and even among them, 2 per cent of the farms had 40 per cent of the land in 1945.

The capitalist class has itself been polarized into the great industrial and commercial corporations on the one hand, and what Mills calls the "lumpen bourgeoisie" on the other. In 1939 1 per cent of the business firms in the United States employed 50 per cent of all people working in business. In the realm of retail trade, the last stronghold of small property, during the same year the bottom 75 per cent

of stores accounted for only 25 per cent of retail sales.

Despite its decline in economic and social importance, Mills points out that the remnants of the old middle class still play an important ideological and political rôle in America. The power of the farm bloc is proverbial. In the name of free enterprise they, and their colleagues of the various business trade associations, seek and are able to obtain government protection and legislation which guarantees their profits. They are often the vanguard in the attack against labor unions. And their continued existence gives substance to the myth of a free enterprise, free market, competitive society, without which the great corporate monopolies would be hard put to find ideological justification for continued existence in private hands.

The old middle class, the petty bourgeoisie, are disintegrating, but their decline has not led to the political consequences which might have been expected on the basis of the old Marxist predictions on this aspect of capitalist development. The reason for this is evident. Only during the years of the great depression was the destruction of the small capitalists so rapid and painful as to produce a conscious feeling of despair and revolt. Except during those years, the expansion of employment opportunities, and the general rise in the standard of living has succeeded in integrating them into the job hierarchy of the new middle class without an acute feeling of loss. The sons and daughters of the little businessman of yesteryear are much more obsessed by the idea of getting ahead in the bureaucratic structure of some corporation than with dreams of reestablishing their old independence, let alone of changing society.

But within the new hierarchy, their

\*WHITE COLLAR. By C. Wright Mills, Oxford University Press. 1951. 378 pp. \$5.00.

dreams of advancement have decreasing chances of realization. For within the white-collar pyramid the same forces have been at work which have shaped our society as a whole: mechanization and concentration.

THE INDUSTRIAL REVOLUTION has come late to the office, the store and the salesroom, but it is now proceeding at a pace which is made possible only by its previous development in industry.

By World War II the overhead involved in tabulating, coordinating, and directing the vast network of industry, communication, transportation, trade and finance had become a real drag on profits. This is just another way of saying that an increasing portion of the surplus value created at the point of production was being absorbed by the administrative and coordinating functions which are inevitable in any industrial society, but which become monstrous in a society of private industrial monopolies. It was this drag on profits which gave major impetus to the mechanization and rationalization of white collar jobs.

Mills gives a fascinating description of the development and application of office machinery on an unprecedented scale. Along with this came the inevitable reduction in the skill, and responsibility required of the office worker. Assembly-line techniques, once confined to industry, are now transferred to the office. Experts analyze each job, break it down into its simplest elements, reorganize the office physically to ensure a steady flow of production, and the office hierarchy structurally, so as to reduce costs.

The result, as in industry, is the fragmentation and alienation of the worker. Office people are, in any case,

removed from the reality of production. By and large they handle the shadows of products. Even the production line worker adds an actual piece to the whole product, and can see it growing into something under his hands. The office worker handles the invoice, the bill, the memorandum, the cost schedule . . . the paper reflections of the industrial process. His satisfaction on the job, his feeling of being part of and contributing something of value can be derived chiefly through his knowledge and understanding of the directive or coordinating, or even marketing rôle performed by his office or firm. And in the smaller, more intimate and personalized office, even the lowly clerk often had a significant range of knowledge about these matters. But as his job is fragmented, his range of knowledge is narrowed. Increasingly his function is on the order of the punch-card operator who transfers coded symbols from schedules to cards without even knowing what the code stands for.

Although the old office is still statistically predominant, the new, rationalized office will soon take its place. And its impact is not confined to the workers with the very lowest skills, although they are the chief ones to be displaced by the new machines. The fragmentation of responsibility and of knowledge tends to go to the very top of the new business bureaucracies.

THE MODERN TYPE of the big businessman is the corporation executive. Only at the very top does he approximate the old captain of industry. Even there, his major decisions are made not as a "free" individual, but as a chairman of a board which works in conjunction with other boards and committees directing the enterprise.

Below him, is the cadre of executives and administrators. They are even less free entrepreneurs looking for the main chance. They are links in a chain of command, taking orders from above, and interpreting, elaborating and transmitting them downward. And in the larger enterprises, there is not a single chain of command, but several, connected at the top. Even the executive's information is limited. His power is derived from his office, and for his position in the hierarchy he depends more on his relations to those above him in the chain than to any special abilities which he may possess.

The bureaucratization of the new middle class is not confined to the realm of big business. It affects the so-called "free" professions almost as much. The young man who becomes a doctor today knows that the road to success leads through his relationship to and status in a major hospital or clinic. The young lawyer finds his place in a legal factory, in which he is likely to spend his life drawing up briefs in a narrowly specialized field, while the senior partners spend most of their time moving in the circles from which business in large volume may be expected to flow into their factory. Other avenues of success lie through joining the legal staff of some corporation, or some government department. Only the failures hang out a shingle over the shabby office from which they issue forth in pursuit of ambulances . . . or as a last resort, there are always the swelling ranks of the FBI. . . .

This whole process of bureaucratization, institutional rigidity, personal fragmentation and alienation is described by Mills in absorbing detail. As the hope of the white collar worker lies in a successful climb within one

of the myriad bureaucracies, his whole personality must be aligned accordingly. Success comes not from superior energy, intelligence, or a capacity for making bold decisions. It comes from his ability to "sell" himself to those above him, to impress them with his cheerfulness, adaptability, "willingness," and above all, loyalty. This involves the final degree of alienation . . . the alienation from self.

Mills is deeply preoccupied with the socio-psychological effects of this whole process on the new middle class. At one time, the white collar workers' feeling of security was buttressed by his knowledge that he had a formal education, an income and skills which set him above the industrial worker. But all of these factors are losing their former importance. The growth of unions in America has raised the status of the workers to a position at which vast numbers of them have more job security, higher incomes, more assured pensions, sickness benefits, vacations, *etc.*, than a large percentage of the unorganized white collar workers. The spread of high-school education removes the "educational escalator" as a distinctive property of the new middle class.

But people still feel that they must have some status, even if there is no objective basis for it. Mills describes the "status panic" as one of the characteristics of the white collar world.

MILLS APPEARS TO FEEL most strongly the dilemma of the "intellectuals" in our society. In his previous book, *New Men of Power* he showed this same preoccupation. There he set forth the view that if the labor movement is to make its way against the "main drift" it must be informed by "a brace of labor intellectuals," and tended to ascribe to them a rôle which seems to us somewhat exaggerated.

In *White Collar*, when he considers their actual rôle and position, he is at the point of despair. Instead of critically thinking men, he finds that they are the hired "experts" and "technicians" of the business and political power which dominates the scene. Their talents find a buyers' market which their integrity cannot resist. The professors become the "non-political" experts who advise government agencies, or the "objective" and "disinterested" handmaidens of business in market research, industrial management, and a personnel psychology. The writers are seduced by the status and income which can be theirs only as hirelings of Luce, of the great advertising firms, or of Hollywood. And often those who do resist the powerful attraction of these mass media of communication find themselves doomed to the relative atrophy of their talents which attends their inability to communicate beyond the narrowest of circles.

But what political significance does the rise of the new middle class have for American society? Are the white collar workers, or some special stratum of them, destined to move along some unique political road of their own?

Mills rejects out of hand the notion that the "managers" may strike out in their own interests, and displace the capitalists as the ruling class.

In the political sphere [he writes] no American manager has taken a stand that is against the interests of private property as an institution. As its chief defender, rhetorically and practically, the manager has a political mind similar to that of any large owner, from whom he derives his power; and in his present form he will last no longer than property as an institution. Thus, although the bureaucratization of property involves a distribution of power among large subordinate staffs, the executives of the modern corporation in America form an

utterly reliable committee for managing the affairs and pushing for the common interests of the entire big-property class.

Ever since the decline of the petty bourgeoisie could no longer be disputed as a historical fact, bourgeois sociologists and economists have contended that their traditional rôle is being taken over by the new middle class. As against the Marxian thesis of the polarization of society, they have maintained that this new group would act as a "balance wheel" in society, as a cushion between capitalists and proletariat, as a stabilizing and moderating influence on the class struggle. Mills finds no evidence, historical or theoretical, for this contention.

In so far as political strength rests upon organized economic power, the white-collar workers can only derive their strength from "business" or from "labor." Within the whole structure of power, they are dependent variables. Estimates of their political tendencies, therefore, must rest upon larger predictions of the manner and outcome of the struggles of business and labor.

And he continues:

The political question of the new middle classes is, of what bloc or movement will they be most likely to stay at the tail? And the answer is, the bloc or movement that most obviously seems to be winning.

They will not go politically "proletarian," if for no other reason than the absence of any political proletariat in America. They will not go politically "middle class," if for no other reason than the absence of middle-class policy or formation, and because they will not be economically able to maintain such a status. They will not go political as an independent bloc or party, if for no other reason than their lack of either the unity or the opportunity. They will not become a political balance-wheel, if for no other reason than their lack of will to choose one bloc or another before it has already shown itself in the ascendant; they will "choose" only after their "choice" has won.

IT IS AT THIS POINT THAT MILLS'

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method, and hence his conclusions, show their major fault. And the fault is not uniquely his: it is endemic to the whole school of sociology of which he is such an outstanding representative.

American sociologists have done a tremendous job in developing and refining techniques for testing the attitudes of various groups in the population. They are very adept at discerning the way in which these attitudes, and the social and political instrumentalities which groups devise to meet their particular problems, change under the impact of changing situations.

Valuable as these techniques are for many purposes, they are adequate only for periods of relative social calm. They test and describe why people are as they are, why they think the way they do, how they react to the given, known conditions in which they find themselves.

But they are grossly inadequate to explain violent, drastic changes in consciousness and behavior. As a matter of fact, both their political prejudices and the very refinement of their technique tends to make them shy away from the consideration of such changes which do not lend themselves so easily to precise measurement and documentation.

Mills notes a tremendous political apathy as the chief political characteristic of American society. He attributes this to a number of factors: The mass media of propaganda, entertainment and communication; the secrecy in which major political decisions are made; the helpless feeling of the individual confronted by the vast, interlocked government, business and labor bureaucracies which seem to grind along their way divorced, almost, from the control of any individual, leave

alone of the "little man." All of these no doubt have their validity.

"There were no plain targets of revolt," he writes, "and the cold metropolitan manner had so entered the soul of overpowered men that they were made completely private and blasé, down deep and for good."

This appalls Mills, and gives a profoundly pessimistic cast to his book. Here is a society at dead center, drifting toward an ever increasing bureaucratization in structure and privatization, i.e., dehumanization of the individual. And in this situation, the new middle class which he is describing specifically, but also the working class which appears as part of the social matrix in his study, tend to gravitate to the present foci of power. Thus it is, and thus it will continue to be.

With regard to the middle class, there is no historical evidence to indicate that in a situation of social struggle "they will 'choose' only after their 'choice' has won." Rather, there is much evidence to indicate that in those critical periods of history when rapid change is taking place, the political apathy of the middle class turns to a frenzy which attaches itself not so much to the dominant power, but rather to the most *dynamic*, economic class or political movement. It is precisely this tendency of the new middle class which constitutes at the same time one of the greatest opportunities as well as one of the greatest dangers in a time of social upheaval.

In Germany, the new middle class gravitated to the dynamism, the promise of a radical shake-up of society, made by the Nazi movement long before it had won, or was even close to winning. And the very powerful Social-Democratic movement was unable to attract the middle class, and was eventually overwhelmed because its "traditional," gradualist approach

had lost its appeal for the middle class at that juncture. The widespread attraction Stalinism has for sections of the new middle class abroad cannot be explained solely in terms of its inclination toward established power.

In describing the depoliticalization of American society, Mills contrasts the present situation to what happened here during the great depression. His pessimism, it would seem, derives from a feeling that the factors enumerated above which contribute to this apathy are here to stay, and what seems to be an underlying assumption, that nothing appears likely to counteract them in the future.

But the times in which we live, viewed from a platform broader than that offered by the techniques of sociological testing and investigation, can be seen as times which will subject the social fabric of America to tremendous strains. The dominant fact of the past ten years has been the vast, unexampled prosperity of the American people. Such has been the privileged position of the United

States that all social and economic dissatisfactions, struggles, frustrations, could be absorbed and directed inside the flow of this all-prevailing prosperity.

To believe that American society will continue indefinitely to enjoy this degree of unprecedented physical and economic well-being is to believe in miracles, and in permanent ones at that. And to believe that when the full impact of the permanent war economy, and later of the global war itself, places our society under the most drastic and shocking strains, the working class will fail to respond in the only way it can respond successfully: through a new development of political consciousness, is to permit counsels of despair to overcome the dictates of reason.

And as Mills so ably points out, it is the political reaction of the working class, in one way or another, which will determine the political rôle of the new middle class, as well as the political future of our whole society.

GORDON HASKELL

## Socialist Policy and the War

*A Letter and a Reply by Max Shachtman*

To the Editor:

Comrade Shachtman's article in the last two issues of the *NEW INTERNATIONALIST* entitled "Socialist Policy and the War" presented an elaboration of the analysis and strategic orientation of the war resolution passed at the last convention of the Independent Socialist League (see *Labor Action* for July 23, 1951, "Independent Socialism and the Third World War").

In the second article, however, there appeared a formulation which al-

though quite correct in itself, is incomplete and also may be so general as to give rise to certain misconceptions about its meaning. I refer to the passage on page 205 of the July-August issue, which reads as follows:

"To maintain political opposition to the war is correct. To continue to prosecute the class struggle is correct. But to prosecute the class struggle in such a way that it would clearly imperil the military position of the government, even to the point where it may be defeated by the enemy and

lose the war"—that, in the conditions of the Third World War, would be disastrous to the working class and to socialism."

The reason that misconceptions with regard to this passage are not only possible, but quite likely, is, in the first place, that it *seems* to employ a classical formula of socialist defensism, that is, of critical, or even "revolutionary" support of the war.

I use the word "seems" advisedly, as a careful reading of this passage in the context of the whole article should disabuse anyone of the notion that any degree of support to American imperialism is being proposed.

The classical formula of critical support to war reads something like this: We will continue to prosecute the class struggle, but only in ways which will not interfere with the government's prosecution of the war. In other words, this formula *subordinates* the class struggle to the military and hence diplomatic and hence imperialist interests of the government. In practice, it cannot but mean a suspension of the class struggle in both its economic and political aspects in wartime, or at least its inhibition to a point at which the working class becomes a docile appendage of the capitalist class and its government in the interest of "victory."

Comrade Shachtman's formula is, of course, quite different. The critical phrase which differentiates it from the classical formula is "even to the point where it [the government] may be defeated by the enemy and lose the war." In other words, the limiting criterion by which socialists would be guided in their tactics in the continuing class struggle would be not the military fortunes of the government in general, but only a situation in which a particular action in the class struggle (say a strike) would assure a Stalinist

victory not only over the government, but over the working class itself.

Even if this is clear, I feel that the formula still remains so general as to leave out an extremely important element. Although it may be thought that among educated socialists this element may be taken for granted, it is precisely with regard to such "tactical" formulations, *i.e.*, formulations which may be taken as more direct guides to action than is the case with general theoretical propositions, that precision of statement is essential.

The whole article is directed to the conclusion that in World War III socialist policy "must be based on the idea of 'transforming the imperialist war into a democratic war'"; that this can be accomplished only if the working class struggles successfully for a whole series of radically democratic economic and political measures "which would, on the one hand, 'greatly enhance the military might of the country,' and which, on the other hand, could not 'be put into effect without transforming the war from a war of conquest into a just war'; and that in any event such a transformation cannot fully take place under the present régime in the United States or any other capitalist régime, but only under some form of workers' government.

The objective of the class struggle, when viewed in its broadest terms, is the establishment of such a government. This holds true for us both in peacetime and during a war. Any other consequences it may have must be weighed against the degree to which it advances the workers toward this all-important objective. And it should be almost self-evident that a major class-struggle action which could take place at a time in which the bourgeois government finds itself in such a precarious position that loss of the war



to Russia is an imminent possibility is *likely* to be fraught with major political consequences. In such a situation, the socialists would have to decide whether a continuation and expansion of the struggle would be likely to bring the workers to power (and thus "greatly enhance the military might of the country"), or whether its consequences could be only to deliver the country to conquest by Stalinism. The latter would most likely be true of an irresponsible strike by a relatively small number of workers in a vital industry. A major strike wave in such a context would indicate that the workers had already lost all confidence in the existing government, and that they were actively engaged in a struggle to replace it with one which they believe could prosecute the war against Stalinism successfully.

Although the above may seem to take us into the realm of speculations, I feel that it is desirable to bring out as clearly as possible *all* the considerations which would guide socialists in their strategic approach to the class struggle in World War III. Thus I believe Comrade Shachtman's formula would be more precise if it read:

"To maintain political opposition to the war is correct. To continue to prosecute the class struggle is correct. But to prosecute the class struggle in such a way that its only consequence would be to imperil the military position of the government to the point where it may be defeated by the enemy and lose the war—that, in the conditions of the Third World War, would be disastrous to the working class and to socialism."

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It would be regrettable, I believe, if the discussion of the war policy that should be pursued by us

*socialists*, as distinguished from those who have abandoned the fight for socialism, were to center around the question of summary formulations. They have their importance and it is of course quite in order to deal with them as Comrade Haskell does in his letter. But our principal concern should remain the basic ideas of the socialist position on the war. They are set forth in the resolution of the last convention of our Independent Socialist League and, in a different way, in my two articles in the *NEW INTERNATIONAL*. If I restate a few of these ideas, it is not so much because of what Comrade Haskell writes in his letter as because it offers the opportunity to comment on a completely unexpected and just as completely unwarranted conclusion that some readers of my articles seem to have drawn. These readers did not draw their conclusion out of my articles because there was nothing in them to justify it; I can only suppose that, over-anxious and over-hopeful, they read their own conclusion into my articles. Let me disabuse them.

I compared the first world war with the coming third world war to establish their similarities and differences. That should help establish the extent to which internationalist-socialist policy toward the third world war should be the same as in the first and the extent to which it should differ. That some people object to this method, is a minor matter. Their indifference toward the traditions of the socialist movement and toward history is their main strength, while ours lies elsewhere.

I have taken Lenin as exemplifying the revolutionary socialist, the consistent democrat and the internationalist from whom we have most to learn. He opposed the war on the ground that,

on both sides, it was imperialist and reactionary. He took issue with the opportunists and chauvinists in the socialist movement who supported the war with the claim that, for their country, it was a war of national defense. Precisely that claim, argued Lenin, is false and criminal. Marxists must analyze every war concretely, and this one is not a war for the defense of the nation. Its specific characteristic is that each bloc, or the chief power in each bloc, is fighting to get a greater share of the world market from the other bloc; each bloc is fighting to transfer to itself the ownership of the colonial nations and peoples enslaved by the other. Only those socialists support their governments in the war, said Lenin, who have been chauvinistically corrupted, either ideologically or economically or both, by the extraordinary privileges which their régimes have acquired from the imperialist exploitation of subject peoples.

The working classes, continued Lenin, have no real interest in the victory of one side or the other. Let them continue the class struggle against their respective governments. Let them utilize every crisis of the régime to bring closer the hour of its overturn, the end of the war and, with the revolutionary proletariat in power, the beginning of socialist reconstruction. "Turn the imperialist war into a civil war!"

But the continuation of the class struggle may help bring about the defeat of our government by the armies of the other government, declared the social-patriots. At this point in my articles, I paraphrased the question which they put to Lenin: "What if the prosecution of the class struggle imperils the military position of the government, even to the point where it may be defeated by the enemy and

lose the war?" This paraphrased question occurs originally in my first article, be it noted. To that question, as I pointed out, Lenin said, in effect: "No matter. The class struggle must be continued regardless of the cost to the existing governments."

But if our country loses the war, what happens to the nation, what happens to the working class? The key to Lenin's position is found in his answer. The aim of German imperialism in the war is not to "impose an alien yoke on the French or the Russians" or even on the Belgians, but "to decide which of them is to rob Turkey and the colonies." The national integrity of the main belligerents and the position of their working classes is *not* threatened in any fundamental or drastic way by the victory of one side over the other. Hence, the only practically conceivable consequence of the continuation of the class struggle by the German working class is not such a defeat of its government as will assure the conquest and subjugation of Germany by Russia but a defeat of its government as will assure the conquest of power by the working class. Similarly, in the case of the working class of Russia and the other belligerents.

This is plain enough, it would seem; and it is even plainer in my first N. I. article where Lenin's thoughts are set forth in far greater detail.

In my second article, I explain some of the similarities and differences between the first and third world wars. The third world war, too, will be imperialist and reactionary on both sides. Stalinist Russia already rules one large part of the world (with all sorts of difficulties and opposition in its world); capitalist United States already rules the larger part of the world (likewise with difficulties and opposition). The war will be fought,

as the cold-war is now being fought, to decide which of them shall rule over the entire world. That being the aim of the war on both sides, it determines the opposition to the war on both sides by all socialists still entitled to that name.

Highly interesting is the fact that the supporters of the war, in both camps, avoid the question of the aims of the war as if it were some unmentionable disease. Not that they avoid it entirely, for they are always ready and even eager to give you fifty per cent of the story. The "Trotskyists" pour out their ink in streams to explain the aims of American imperialism, in order to show why no socialist and no worker should support its war. But when it comes to the war aims of Stalinism—not of the gagged peoples it rules, but of Stalinism itself—they present us with reams of blank paper. The "critical" and "socialist" supporters of American imperialism act the same way in the other war camp. On the aims of Stalinism in the war, they give you all you need and more. On the aims of American imperialism, they maintain a dignified silence. It seems that they cannot—or cannot yet—get themselves to repeat the fraudulent pretensions of the American bourgeoisie.

Yet, it is the aims of a war—not necessarily (in fact, quite seldom) in terms of what its directors proclaim them to be, but in terms of the objective consequences of a victory over the other side—that should determine the socialist position toward it.

For example, the aim of the Italian government in the war against Ethiopia was not to rid that country of its feudal, slave-trading, reactionary régime but to reduce it to colonial slavery. Socialists opposed this war, even though Italy was a more advanced and

civilized country, even though it was better able to "develop the productive forces" of Ethiopia than the ruling class of that country. The aim of Ethiopia was to maintain its national independence, which is a good democratic principle; it did not and could not aim at reducing Italy to a colony. Therefore socialists supported Ethiopia, even under such a reactionary anachronism as Haile Selassie, and they worked to the best of their ability for the victory of Ethiopian arms.

The aim of the Loyalist government in the Spanish civil war was to crush Franco fascism. The means, the policies, it pursued to reach this aim were not those advocated by us, but that did not change the aim of the war. Socialists unhesitatingly supported the war, criticizing the policies of the government, but working for the victory and aims of Loyalist arms and calling on workers throughout the world for active aid.

The supporters of the coming world war and the preparations for it, however, do not and cannot talk about the real aims of the two war camps. Support of a war demands, first of all and above all, a declaration that, on the part of your war camp, it is a *just* war; support of a war demands wishing and working for *the victory* of your war camp. Otherwise, the term "support" has no meaning and less value. Victory for Stalinism means the subjugation or subordination of the entire world to the worst kind of totalitarian despotism. Victory for the United States means the realization of its aim in the war (in so far, of course, as such an aim is realizable, which holds for the Stalinist aim as well), namely, the establishment of its imperialist rule over the world, the subjugation or subordination of all other lands to itself.

At this point in particular, the "critical" supporters of American imperialism interpose the argument: "You emphasize the inter-imperialist aspect of the war, but you forget that it is also a conflict between two different social and political regimes. If Stalinism wins, all trace of a working-class and socialist movement and all forms of democracy will surely be wiped out. If American imperialism—and we grant that it is imperialism—wins, some form of bourgeois democracy, and therefore of a free labor movement, will surely, or at the very least, possibly remain. You must agree that the consequences of an American victory will differ vastly from those of a Russian victory, with the former being much less an evil than the latter."

We do not at all forget this aspect of the war. On the contrary, we give it the heavy weight it deserves. We nevertheless reject the position of the war supporters, and on the very grounds on which they take their stand. They can see and think and act only in these terms:

American imperialism may be victorious over Russia or be defeated by it. Stalinist totalitarianism may be victorious over the "Western bloc" or be defeated by it. The working class may be set back in the one case or crushingly defeated in the other, *but* it cannot emerge from the war with a victory of its own, achieved by acting in the class struggle independently of the two war camps and opposed to both.

I do not know of a single one of the "sophisticated" war supporters, especially the pro-American variety, in whom this view is not explicit or implicit. You need only an hour's "intimate conversation" with any of them to understand this perfectly. Why they continue to call themselves socialists, that is, people whose entire social out-

look is warranted or comprehensible only on the basis of the conviction that the working class and it alone is capable of emancipating itself and all society, is a problem that is not wholly within the province of political science.

The possibility of a Stalinist victory has thrown these people into such a state of demoralization and panic that they have given up scientific political analysis. In fact, they are impatient with it and prefer to be guided by emotions. It is next to futile to keep asking them to explain just what has made and is making it possible for a monstrous reaction like Stalinism to grow to the point where it threatens to defeat a foe of the caliber of American capitalism and its international allies, and to crush the working class everywhere—in a word, to devour the entire world.

Our explanation is this: so long as the crisis of capitalism exists and deepens as it does and will, Stalinism will grow to solve it in its own reactionary way if the working class does not break with capitalism to solve the crisis in its own democratic socialist way. We become firmer in our attachment to this explanation, the more often we hear the hilariously stupid explanations of bourgeois and social-democratic thinkers.

Now, facing that supreme crisis of capitalism which the third world war represents, the working class is told again that Stalinism can be defeated only by supporting capitalist imperialism and its policies—ever so critically, to be sure—that is, by following the very same course which has contributed so decisively and overwhelmingly to the rise of Stalinism. Thank you, no! We believe that the beginning of wisdom and effectiveness in fighting and smashing Stalinism lies

in the complete separation of the working class from capitalism, its governments, its parties, its policies and the struggle against them in the name of the working class and its own program. That applies to war-time no less than to peace-time.

Then you are indifferent to the outcome of the war? Then you don't care if the Stalinist totalitarians defeat the bourgeois democracies? Then you will continue the class struggle regardless of its effect upon the outcome? The "critical" supporter asks these questions in genuine horror. Even though he has sucked them out of his trembling thumb, they should be answered.

The ordinary citizen sees only the victory (or defeat) of "his own" country, or the victory of its enemy. He knows little or nothing about the class struggle, revolutions, capitalist economy, imperialism, secret treaties, and the like. He is not to be condemned; he will one day learn. The socialist, however, has already learned, and he is to be condemned if he forgets. In a war like the third world war, he cannot be indifferent to the outcome. He cannot be for the victory of either war camp, because he cannot and must not support the aims which such a victory would achieve. He cannot take any responsibility for these aims, for the governments that pursue them, and the policies that serve them. He will not say anything to encourage the preposterous idea that these governments can be persuaded to follow any policies or aims fundamentally different from those that arise out of their very nature. He will devote all his efforts to replace them with the only kind of governments that can adopt and follow democratic policies and aims, a workers' government.

The ordinary citizen, who can think

only in terms of his present government winning the war or being defeated and crushed by the arms of the enemy—Russia, the Stalinists—comes to the conclusion that if the socialists are not for the victory of the government in the war, they are for its defeat by the enemy. So does our "critical" supporter. And so, we regret to note, are some radicals who have misread Lenin badly and misapplied him worse. Patiently, we reply:

We are not for suspending the class struggle of the toilers, that is, the defense and promotion of their economic, political and social positions. We are not for subordinating that struggle to the military triumph of imperialism, to the "victory." We are not for abandoning the workers, or for having them abandon their legitimate interests, even in wartime, because, as Rosa Luxemburg once put it, that would really be leaving the nation in the lurch by surrendering it entirely to the reactionary classes and their interests. But because we take this view, it does not follow for us that we are for the defeat of the American bourgeoisie and its arms *by Stalinism*.

It is right here that we emphasize the difference between the first world war and the third. It is in this connection that I cited Lenin's position in 1914 to show why it could not simply be repeated by socialists today, and his position in 1917 to show the extent to which it should be repeated today. The victory of Stalinism in the war *would* "impose an alien yoke" on the nations it conquers; it *would* mean the enslavement of the working class and the destruction of its movement. The war is *not* merely or even primarily a war "to decide which of them is to rob Turkey and the colonies." We are not indifferent to *who* defeats

Stalinism, because that involves *how* it is being defeated and what are the *consequences* of such a defeat; therefore we are not for support of capitalist imperialism in the war. By the same token, we are not indifferent to *who* defeats capitalism (in general) or our own bourgeoisie (in particular): therefore we are not for support of Stalinism in the war. We have nothing at all in common with those who support Stalinism on the ground that its conquests establish "anti-capitalist régimes," because the views of these self-educated ignoramus have nothing at all in common with socialism. We are opposed to such defeats of the bourgeoisie whose consequences are, and cannot but be, a disaster and an inferno of exploitation for the working class. We do not exist to see that revenge is taken upon the bourgeoisie for its social crimes, but to see that the working class emancipates itself from all class rule.

To make that clear for the nth time, I repeated in my second article the question put to Lenin by the social-patriots in the first world war as applied to carrying on the class struggle in the conditions of the third world war to the point where it would "imperial the military position of the government, even to the point where it may be defeated by the enemy and lose the war." The Stalinists, as well as those who follow them, answer that question in the affirmative, for their "class struggle" against the bourgeoisie has as its only aim the victory of the Stalinist army and therewith the victory of the Stalinist bureaucracies in the capitalist countries. The socialist answer is the one I sought to give: We do not for a moment suspend the class struggle, even in wartime. But, not being Stalinists and not being cretins, we do not prosecute it in *such a way* as to produce a defeat of

the government *by Stalinism*. We are for the working class defeating the bourgeoisie in the class war and that is all we work for. We do not work for it in such a way as assures the defeat of the bourgeoisie by a reaction that would crush the proletariat itself.

The "critical" supporters may "interpret" this position as they will, but there is really no reason to misunderstand it. The difference between us and them may be summed up in this way: Those of them who still talk about class struggle at all (that is, the "best" among them), say: "The class struggle during the war must be subordinated to the interests of the victory of American imperialism over the greater menace of Stalinist imperialism, for American imperialism, alas, is the only force left in the world today that can stop Stalinism in the countries threatened by it." That is the position of the well-meaning socialists who have been frightened into chauvinism by the Stalinist rise. Our position is: "The class struggle during the war must be 'subordinated' not to the victory of capitalism, and not to the victory of Stalinism, but only to the victory of the independent working class over them both."

This thought, which does not claim to be an all-solving formula but a general guiding line, the strategical objective of the movement before and after the war breaks out, must be inseparably attached to and concretized in a program of "transforming the imperialist war into a democratic war," to repeat the excellent and now eminently applicable words of Lenin in 1917. We will see what the democratic and socialist "critical" supporters of the war say and do about such a program in practical political life. Experience with them up to now has forearmed us against too many surprises.

MAX SHACHTMAN

# BOOKS IN REVIEW

## A View of Labor

A PHILOSOPHY OF LABOR, by Frank Tannenbaum. Alfred A. Knopf. 199 pp. \$2.75

As tendencies toward bureaucratism in society deepen, the labor movement commands attention as a powerful counterforce. Through their unions, workers begin to control and direct their own labor. In this respect, unions become the very antithesis of totalitarian control from above and the whole structure of modern democracy depends upon them. Tannenbaum's little book deserves to be read because it deals interestingly, if quaintly, with this theme and recognizes the labor movement as the chief defender of democracy in our times. But more than this cannot be said. The author sympathizes with unions and their aims, in a general sort of way, but his analysis of their significance ignores the weighty facts of their development.

This work, entitled "A Philosophy of Labor," promises far more than it gives. The labor movement is not and never has been confined exclusively to the union movement. Yet, the author reaches conclusions solely from an examination of the latter. And not of the union movement as it has evolved in all the main industrial centers of the world but almost entirely of the unions in the United States. Even narrower becomes the focus of his analysis which concentrates upon only one phase of the history of the American union movement, a phase which it is already outgrowing, the period dominated by the old American Federation of Labor. His philosophy, therefore, is a strained attempt to universalize the limited experience of the working class in one country at one time into a general law.

"Trade unionism is the conservative movement of our times," he begins, "it is the counterrevolution. Unwittingly, it has turned its back upon most of the political and economic ideas that have nourished western Europe and the United States during the last two centuries. In practice, though not in words, it denies the heritage that stems from the French

Revolution and from English liberalism. It is also a complete repudiation of Marxism." To illuminate and clarify this thought, he argues that the trade union repudiates "individualism" and rests upon the "group." "The values implicit in trade unionism are those of an older day, antedating the grating modern political slogans. It is an unwitting effort to return to values derived from the past: security, justice, freedom, and faith." With this, he launches a chapter of pedantic divagations into the ancient and medieval history of the *guild*, presumably the embodiment of these older values, in the course of which we are fascinated by assorted tid-bits of encyclopedic information: there were guilds in China at least a thousand years ago; they were known as *officium* or *ministerium* in Latin, *metier* or *jurande* in French, *arte* in Italian, etc., for six languages. This tedious section concludes somewhat abruptly and startlingly, "The role of the new union which, it should be emphasized, is not derived from the *guild*, was to prove profoundly different because the economy itself had greatly changed." His interest is so unwaveringly focused at the point where the union movement did not begin, its real origins and history is skimmed over in scattered fragments or lost in vague speculative generalities about the reaction against "individualism." His analysis does not clarify the influence of the past upon the present nor illuminate the connection between them but simply superimposes the past helter-skelter upon the present. With the same capricious historical methodology one could just as easily "demonstrate" that the trade unions in revolt against "individualism" submerge the individual in the mass and thereby "unwittingly" subvert human liberty.

The modern labor movement begins as a reaction against the failure to achieve the great ideals of the French Revolution within capitalist society. Not only political democracy but social democracy, or economic democracy, or industrial democracy. Not only political equality but social equality. With such watchwords, the labor movement everywhere appeared

not as a movement for a return to the past but as a crusade for effectuating what had been promised but not achieved. Even in the United States, the labor movement was inspired by the liberating ideals emanating from France and embodied in the Declaration of Independence which provided its rallying slogans in the early eighteenth century.

But it is probably futile to quarrel with the author's insistence upon the "conservative" and "counterrevolutionary" character of union activity. He seems more concerned here with startling his readers than effecting a real judgment. We read 130 pages later, "The ends aimed at (by unions) are not revolutionary in intent but they are revolutionary in effect." It is obvious that the words "revolutionary" and "counterrevolutionary" are being juggled to death.

"Trade unionism is a repudiation of Marxism," says Tannenbaum, "because its ends are moral rather than economic." This vulgarization of Marxism as dehumanized economics is no worse than his other references to Marxism, all the fruit of a harmless ignorance. Marxists have never understood the importance of unions; they simply seek to manipulate them for their own devious purposes . . . so goes the writer. Naturally, he confuses Marxism and socialism with Stalinism. But this misconception has gained such currency and is so blithely accepted by all who would slur together the socialist movement for human freedom with Stalinist totalitarianism that one hesitates to haggle over the point merely because it happens to be an impermissible distortion.

But an author who is so convinced that the union movement is the very antithesis of socialism might be expected to examine some of the most obvious facts of their reciprocal history. In the major countries of Europe, the labor movement begins not as a trade union movement but as a socialist movement. In kindness to Tannenbaum's philosophy, this ought never to have happened, but it is true. The decisive sectors of the European trade union movement were initiated and led by socialists. In Russia, where the unions assumed significance after the revolution, Marxists viewed them as the very institutions of the working class which would ultimately take over control of all industry. In the Marxist view, the task of the labor movement is nothing

less than the reorganization of society under the real control of the working class. The trade unions are called upon to mobilize the working class in the daily struggles against exploitation, to train the workers in the skills of controlling production, to participate in the great crusade for a new society, to participate in the actual management and control of industry under a workers' government. One may reject these objectives. But it would be hard to prove that they signify an underestimation of the role of unions.

While Marxists speculated in unrealizable fantasies, says Tannenbaum, the unions' "very lack of ideas made it strong and enabled it to concentrate upon immediate ends without wasting its energies in a futile pursuit of Utopia. The trade-union movement could go on for generation after generation despite many failures, gradually accommodating itself to a changing industrial environment. It could do that without challenging the political or moral ideas current at the time, all the while slowly shaping new institutions, habits, and loyalties. It has gathered power within the community until it has suddenly dawned upon men that a new force—not an idea, but a new force—has come into being. This force is changing the structure of our economy and redistributing power in our society."

The author thinks he has uncovered the innate tendencies of the union movement but he only describes the American labor movement as it completes the first quarter of the twentieth century and even that without regard to the rise and decline of its socialist wing. One glance at continental Europe is enough to warn against generalizing. When its labor movement under the leadership of conservative social-democracy did in fact restrict itself to limited aims to the sacrifice of long term goals, when it remained a "power" without rallying the people to a new "idea," it suffered shattering defeat and momentary obliteration at the hands of fascism. Tannenbaum simply ignores this whole experience. Applied to the United States, his thesis hardly stands up any better for it arrives about twenty-five years too late. With the advent of the CIO, the American labor movement discovers that its old-fashioned simple unionism, the bread-and-butter concentration upon immediate, tangible, non-political tasks is no longer adequate. It is compelled to enter politics

and to try to wield the power of government in its own behalf. As it grows in power, precisely because it gains recognition as a decisive social force, it is impelled to develop an "ideology," a general social program an "ideal." Although this program still remains committed to capitalism, it has moved many steps away from pure and simple unionism.

Socialists propose that the union movement go further. Not because they deny any significance to unions except as instruments of socialism (that is what Tannenbaum contends) but because the pro-capitalist policies of the unions tend to check, restrain, devitalize the struggles of the working class, make it difficult to protect and strengthen the union movement itself, and render it incapable of a consistent and aggressive defense of the interests of all the common people.

If this seems like asking too much, we note that Tannenbaum himself assigns the union movement a heavy responsibility. "In the end, either the organic groups now in unions will destroy the authoritarian government state or the government will end by stifling the industries and ultimately disintegrating." The alternatives he poses are: either the unions and democracy or the state and totalitarianism. But who is to control the state? If the labor movement can bring democracy into industry, why not into the state? Tannenbaum offers no reply to questions which he does not even raise.

Shall the labor movement take the lead in reorganizing modern society? The author cannot make up his mind. "Every activity of organized labor is a denial of both the philosophy and practice of a free market economy." If the unions are in fact the only alternative to totalitarianism and if they tend to wipe out our present market economy then it would seem demonstrated that the labor movement is the bearer of a new form of society, a free, democratic, non-capitalist society. It is just this that Marxists believe and they suggest that the unions pursue this goal consciously and consistently instead of stumbling toward it. Tannenbaum succeeds in escaping from this conclusion only by escaping from his own "philosophy of labor." "In spite of its many shortcomings, it is not the industrial society of the Western World that is on trial. That has now been tried for over a hundred and fifty years and has given men a greater body of material

goods than was ever enjoyed by the mass of men anywhere. What is on trial is the new system (Statism) that would replace it on grounds of higher efficiency and greater moral perfection." What then, becomes of the unwitting striving of unions toward something new?

For a man who accuses socialists of utopianism, Tannenbaum shows a remarkable ability to invent a novel solution to the problems of humanity. Or, if not so very novel, it remains pure invention. "What is presumed [by Tannenbaum] in this development is that the union will gradually take on the role of the modern corporation by buying into it and that ownership will cease to be fluid and impersonal." And in the closing words of the book, "The corporation and the union will ultimately merge in common ownership and cease to be a house divided. It is only thus that a common identity may once again come to rule the lives of men and endow each one with rights and duties recognized by all." And thus, as the classes blend in harmony each with its recognized and unchallenged role and rights, the state may be ignored and totalitarianism avoided.

However, instead of merging with the big corporations, unions are compelled to continue their struggles against them. Instead of by-passing the state, unions find they must intensify political action. Instead of ignoring the government, unions find their struggles and demands inextricably intertwined with it.

The interesting aspects of Tannenbaum's book remain. Here is an anti-"statist," an anti-socialist, who sees the fate of democracy resting with the labor movement. Regardless of how he circles into this conclusion, his testimony remains.

BEN HALL

## The "Why?" Is Missing

THE POLITICAL CAREER OF FLOYD B. OLSON, by George H. Mayer. The University of Minnesota Press, 329 pp. \$5.

The author's theme is one of the most serious and interesting in American political history—the organization and growth of a successful labor party on a state scale, and the career of the brilliant lawyer who came over from

the Democratic Party to accept the nomination of the Farmer-Labor Association and to serve as the Farmer-Labor governor of Minnesota from 1930 to 1936.

The son of a railroad worker, Olson was born in Minneapolis in 1891. After graduating from high school he became a migratory worker, and joined what Mayer refers to as the "International Workers of the World," returning to Minneapolis in 1913. While clerking in a law office he won his law degree at night school, and immediately entered politics. He sought the Democratic nomination for Congress in 1918 and 1920, but remained on good enough terms with the Republicans to receive from them an appointment as assistant attorney general in Hennepin County, and in 1924 wangled the Farmer-Labor gubernatorial nomination. Thus his bent for straddling all parties was shown early.

The book discusses Olson's successful campaigns in 1930, 1932, and 1934, his struggles with a hostile legislature, his extraordinary handling of the unemployment and farm problems, his rise to national prominence as a left wing of Roosevelt, the 1934 Minneapolis truck strikes with Olson uncomfortably in the middle, and the gradual taking over of the Farmer-Labor movement by the Stalinists through their candidate, Elmer Benson. (The author's political naivete makes him miss this perfidious game.)

The account closes with the governor's death, in 1936, of cancer. His death, concludes the author, "enhanced Olson's reputation because he died before public apathy and the increasing threat of war undermined the reforming zeal of the 1930's." The appraisal is partly true. Had Olson lived, there were ample indications that he would have become more and more enmeshed with Roosevelt's plans. His final political testament was an appeal from his death bed that "liberals must unite in 1936 to re-elect Franklin Roosevelt and to prevent the election of reactionary Alf Landon." It was largely Olson's doing that the Farmer-Labor movement was committed to Roosevelt, in return for Democratic support of the FLP state ticket.

Mayer, a member of the Purdue University faculty of history, economics, and government, is not equipped to handle the complex and vital subject he discusses. His unfamiliarity with labor and socialist movements and ideas prevents

him from grasping the significance of the Farmer-Labor movement and understanding the conflict between Olson's "All-Party" politicians and the trade union base which built and maintained the party—a key to an appreciation of the situation.

When Olson agreed to accept the nomination of the Farmer-Labor Association, he insisted on the right to set up an "Olson All-Party Committee" outside the association, to attract political opportunists from the two old parties who supported Olson in return for the promise of state jobs and other political favors. During his governorship, Olson used the "All-Party Committee" as a weapon to attempt to eliminate the association and convert the movement into a personal political machine.

Mayer completely accepts Olson's "All-Party" viewpoint. This view, of course, would not vitiate Mayer's work. It is his failure to recognize and come to grips with the complex problems of the party, and to grasp the vital differences between the Farmer-Labor movement and the old capitalist parties that make his book a piece of popular journalism, and nothing more. Interesting journalism, yes, for with such a subject one could hardly write an unexciting book.

In 1944 the Minnesota Farmer-Labor movement merged with the Democratic Party to end 26 years of activity as an independent party. Olson's plan to scuttle the movement was finally achieved by a loose coalition of the "All-Party" politicians, the state employes, the Stalinists, and a block of trade union officials (chiefly in St. Paul and Duluth) who had always been hostile to independent labor politics.

It was because the Farmer-Labor Party was a party of organized labor, a political federation of trade unions, largely financed by a per capita tax from the affiliated unions, that it alone survived of the many third party movements that arose from the political upsurge following the First World War. Both the farmers' Non-Partisan League and the Working People's Nonpartisan Political League, which merged in 1923 to create the Farmer-Labor Federation (later the association), were permeated by socialist ideas and stemmed from the socialist movement. It was the political climate created by years of socialist education, and the FLP's firm trade union

base, that permitted Olson to play far to the left of Roosevelt on occasion, in a manner that so captivated Mayer and which he so little understood.

It is not practical to discuss the oversights, misinterpretations, and errors in Mayer's book. At what level is one to discuss political ideas with an author who believes the Trotskyist leaders of Local 574 held the primitive concept that the general strike is "the most effective weapon of class warfare"? Where is one to begin to discuss trade union problems with a writer who can find equally reprehensible the behavior of employers and police who set a murderous trap for union pickets, and the strike leaders who insist on picketing in the face of employer threats and gunfire?

The best account of the 1934 truck strike is that contained in Charles Rumford Walker's "American City," which also discusses some of the fundamental problems besetting the Farmer-Labor movement. For a socialist criticism of the FLP, the reader is referred to the many campaign leaflets published by the Trotskyists in Minnesota from 1934 on, to an article "A Party Without a Program," by Walter Beirce, in the March, 1939, *NEW INTERNATIONAL*, and to the article entitled "The Minnesota Farmer-Labor Party," by Warren Creel, in the March, 1946, *Fourth International*. This last article, written by the former secretary of the educational bureau of the Farmer-Labor Association, is particularly recommended as correcting the grosser misconceptions of Mayer.

Not that the last word will ever be said on the FLP. In the April, 1951, issue of *Harper's Magazine*, Samuel Lubell, in an article "Who Votes Isolationist and Why," confirmed statistically that one of the factors in the defeat of the FLP in rural Minnesota was the defection of German-Americans who deserted the FLP when its leaders followed Roosevelt down the path to war. According to Lubell, these were the same voters who had earlier left the Democratic Party because of "Wilson's war..," Stearns County, Minn., with an overwhelming German-Catholic population, and traditionally Democratic, gave Harding 86 per cent of its vote in 1920; four years later, LaFollette carried the county. In 1940, Roosevelt's vote in this county dropped 34 percentage points below his 1936 vote.

Lubell shows that in 1918, when the Farmer-Labor label first appeared on the ballot, five of the eight principal German-American counties went for the new party. Between 1936 and 1940 all these counties were to revolt against Roosevelt and the FLP in protest against involvement in a war with Germany. The right-wing "realists" of the Farmer-Labor movement, whom Mayer lauds, lost supporters both in the countryside and the big cities by following Roosevelt's pro-war policy. Yet so strong was the Farmer-Labor appeal that right up to the end, in 1944, the party was still polling 38 per cent of the state vote. You could read "The Political Career of Floyd B. Olson" ten times over and still lack an explanation for this political phenomenon.

JACK RANGER

## Commendable Study

ECONOMIC SURVEY OF ASIA AND THE FAR EAST FOR 1950. *United Nations*, New York, N. Y. \$3.75.

This work, the fourth volume in the annual series which began in 1947, is by far the most complete and up-to-date report on short-term economic trends in that vast area from Korea and Japan in the north to Pakistan in the southwest, including all the Himalayan states. There is nothing to compare with it in scope and reliability of data presented. It is an indispensable handbook for every student of modern Asia.

Before reviewing the contents it would be well to note the significance of the *Survey*, since it is indicative of so much of the excellent technical work being done by various UN agencies in areas which were scarcely touched by modern scientific methods until recently.

Under the masterly direction of the noted Indian economist, P. S. Lokanathan, the Economic Commission for Asia and the Far East has functioned out of Bangkok, collecting and analyzing an enormous amount of information, presenting it annually in its *Surveys*. Now, in response to the growing needs and demand for such integrated and reliable studies, the Commission is to publish quarterly reports as well.

It has been a difficult struggle on the part of the Commission to obtain the de-

sired statistics, first because they were often not available to the native governments themselves which simply lacked the facilities for obtaining them; secondly, statistical standards were so diverse as to be worthless for purposes of comparability, and even for ascertaining the true state of affairs within each country. This condition will not soon be remedied, being in statistics an expression of larger social ills. However, the Commission has, through a number of devices, begun to enforce scientific criteria so that the value of the figures presented by the governments has risen, become more meaningful, and useful in developing policies.

While there is much room for differing with Lokanathan as to the relative values he assigns to his facts, for the first time the facts are there in readable, interesting and trustworthy form. Time has been spent on this forward in order to point up this aspect of the UN's activities, which are as valuable and valid for socialists as for others.

The current volume is by far the most complete of those published to date. The Commission has used its own facts together with official government releases, interpolating one with the other. Also a whole series of new studies have been added. One of the most valuable is a section on internal financing and capital formation, a universal problem throughout Asia, and a major barometer of progress.

The post-war period may be divided into three economic phases. The immediate problem in several of the nations was the achievement of independence, during which war-time chaos largely continued, with only minor efforts at reconstruction. The amount of destruction in the area is hardly appreciated here, since our eyes were so completely focused on Europe with its extensive battles and continental air-war. Asia suffered to some degree from outright battle damage, but by far the largest part of the destruction suffered was the result of dislocation; disruption of traditional trade patterns without the substitution of new ones; decay of mining, oil, industrial and transportation capital rendering much of it useless and even more of it obsolescent; breakdown of transportation over the entire continent so that raw materials could not move out to industrial centers starving for them, while credit and ma-

chine products could not move in.

Because of the initially low productive state of these societies the importance of these factors was in some ways greater than Europe's war damage. This becomes most clear in terms of comparable reconstruction costs. It takes so very much more in Asia to restore a plant or a railroad to working order. True, while Europe has largely returned and even surpassed its pre-war levels this is not yet the case in Asia, where most governments still set their productive goals in terms of returning to the previous level.

Only to indicate some of the broader implications, the newly independent states are everywhere attempting to operate under physical and economic conditions far worse than what existed under imperialism. Not only have the aspirations of the people for higher standards of living not been fulfilled, the people are consuming less food and clothing than before. Much of the disillusionment with independence (and indeed with all politics) that is so prevalent can be traced to this root source.

The economies that will emerge at the next stage of development depends to a great degree on the kind of "restoration" that is achieved. Unfortunately, in most countries in the area the drive is simply toward achieving the output levels of former peak years by technical and material infusions. This is particularly the case in Japan and Indonesia and, of course, in the remaining colonial possessions such as Malay and VietNam. Nowhere, not even in India, is there serious consideration as to the validity for a free people of the kind of economy inherited from the former masters. (In this connection the new five-year plan issued by Nehru's government is especially pertinent, but is beyond the scope of this study.)

By 1949, independence had largely been achieved, some measure of stability restored and a beginning made toward recovery. This was the time when most states formulated their first economic policies and plans. The Colombo plan was symptomatic of the type of thinking then current. Significantly, the Colombo plan was fathered by Britain, and to this day remains a Commonwealth project in the main. This, by contrast with the niggardly attention from Washington and even less financial intervention. Britains remain the European nation

with greatest interest in Asia.

The plan called for new planning for agricultural and industrial growth, with capital made available through a common pool contributed to by the nations of the area and by Britain and other commonwealth countries. This promise of external financing acted as a catalyst and spur in much the same way as the Marshall Plan did in Europe in its first year.

Also at this time, in the metropolitan nations, production having recovered, capital goods began to flow into the channels of world trade, or as Lokanathan puts it "developmental goods" became available.

This second stage came to a rude and quick halt in the middle of 1950 with the Korean war. The effects of this war and its repercussions in the world armaments race and new international tensions have been devastating for Asia, with the possible exception of Japan. The Asian hunger for peace and a third camp is profoundly rooted in economics.

For, as Lokanathan states, Korea has "put back the clock of progress and weakens the forces of reconstruction and development in Asia." American and European rearmament has created a shortage of capital goods and raised the costs of those items that are available. As raw-material producers the colonial countries are enjoying a boom, but it is artificial and dangerous, for these materials are no longer going into productive machinery which held the promise of future development, but into arms. With the world price of raw materials so high these items become locally scarce.

At the same time tendencies toward diversification are inhibited by the profitability of continuing to be a primary goods producer. Yet diversification is the *sine qua non* for a revision of the economy away from colonial forms and into modern ones. If Asia is to remain only the source for raw materials for advanced technologies elsewhere then its independence will indeed have become farcical and hopes for social reform will be dimmed for a long time to come. In addition, the favorable terms of trade now available to primary goods producers has brought in large quantities of new money, which cannot be used effectively on a world market that is scarce in just those items that need to be imported into Asia. Result: serious inflation.

The conflict between re-armament and

social progress is dramatically illustrated by the facts presented in this volume of the *Survey*. So is the conflict between American military policy and Asia's real needs.

Most countries have formulated some agrarian reform plans, but few have implemented them and fewer still are serious about doing so. The changes wrought since the Korean war will make such reforms more costly and difficult. Yet this remains the crying need of Asia. The statistics indicate the failure of Asiatic-feudal agriculture to feed the populations. Per capita food consumption remains lower than pre-war almost everywhere. The Bihar famine in India a few months ago is only an extreme expression of the universal ailment.

Japan alone seems to have continued the progress begun before the Korean events; yet nothing could be more deceptive. Firstly, it is an advance made in the trail of the American war and rearmament program. Secondly, Japan remains divorced from her natural markets in China and northern Asia. Thirdly, the high prices of raw materials, of which Japan has almost none of those she requires, are a direct threat to her industries and their competitive position. Fourthly, her attachment to the American economy via the arms race makes her particularly vulnerable to every changing economic breeze here. Fifth, the effects of this development are to restore in Japan the distorted type of economy which led her down the path to war—and defeat. That same cycle seems about to begin again there with all its accompanying internal implications of return of reaction, depression of labor conditions and termination of the democratic changes introduced during the occupation.

The *Survey* contains only the raw-facts for further analysis, and therein lies its contribution. Lokanathan's introduction is, however, an excellent essay bringing together the many strands into a few over-all generalizations.

JACK BRAD

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THE NEW INTERNATIONAL

## Serge's Memoirs

MEMOIRES D'UN REVOLUTIONNAIRE, by Victor Serge (1901-1941). Editions du Seuil, Paris 1951. 417 pp. 600 francs.

The memoirs of Victor Serge, extracts of which have already appeared in various publications, including THE NEW INTERNATIONAL, have been awaited with much interest. Finally, although unfortunately still only in French, the complete edition is now available, with the exception of certain pages covering his last years in Mexico. This thick volume covers the vast and amazing expanse of time—several epochs rolled into one—between Serge's birth, of Russian parent-hood, in Brussels (1901) and his final place of refuge in Mexico City (1941).

Somewhere in the beginning of his memoirs, Serge describes that predominant feeling which he possessed his entire life: that of living in a world from which there was no possible escape, but struggling without cease to find the impossible. And in this impossible world, he writes, he spent his childhood listening to conversations about "... trials, executions, escapes, roads to Siberia, great ideas constantly called into question, the latest books about these ideas ..." (p. 8).

Consider for a moment the historic terrain crossed by Serge during these long years; this will give some idea of the richness and the fascination contained in this book. The growth of the international socialist movement before the First World War, together with the Russian revolutionary movement; the anarchist and anarcho-syndicated movements of

France, Belgium, Spain, etc., the First World War itself; the Russian Revolution from its Kerenskyist phase down to the Stalinist destruction of the Left Opposition (and all other opposition); exile and isolated struggle against the Moscow Trials; the Spanish Civil War and the Second World War; the collapse of France and ultimate flight to Mexico.

And Serge, as worker, revolutionist, journalist, man-of-letters, novelist, participated in all of these, actively and convincingly! Son of a Russian Nihilist and member of the "Will-of-the-People" group, raised in the atmosphere of a rather primitive and mechanistic anarchism, he learned early to "... think, struggle, be hungry." In Paris and Belgium, he moved in anarchist, libertarian and syndicalist circles, with a definite antipathy toward socialist and Marxist tendencies. The Russian Revolution swung him to the Bolshevik side and he engaged actively in political duties during the civil war, the NEP period, etc. He quickly became critical of events in Russia and rallied to the Trotskyist opposition. This cost him several years exile in the Russian hinterland—not under concentration camp conditions—from which he was eventually saved by a campaign abroad organized by European intellectuals. Serge was actually both a Russian revolutionist and a French-European writer and intellectual, a duality which accounts for his miraculous release by Stalin! To one or another extent, he collaborated with Trotsky and the then Trotskyist movement in exposing the Moscow Trials, although (as we shall see) his own political orientation

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turned in a different direction. His contacts, acquaintances, experiences, information, etc., were truly enormous and covered the entire expanse brought to life by the Russian Revolution.

Readers of *THE NEW INTERNATIONAL* are already quite familiar with much of the life and record of Victor Serge. What is less known is his opinion on many of the controversial events of the Russian Revolution (Kronstadt, Makhno, etc.), as well as other political features of his life, such as his disagreements and ultimate break—rather, a partial break—with Trotsky. Since a good three-quarters of his memoirs are concerned with Russia and the Revolution, the reader will find much material on these issues. The question is, how must we evaluate them? The essence of Victor Serge makes it impossible for us to give a definite, clear or simple response to this question.

In one respect, Serge's memoirs are easily—too easily—subject to criticism. He is not a political analyst or theoretician; nor a systematic or original thinker. His style and method are impressionistic and subjective, lacking both clarity of expression and documentation. This is no source book for historians, nor reference work for scholars concerned with

the Russian Revolution! One always has the uneasy feeling that Serge's "quotations" are either from memory, or concise summaries of his *impression* of a quotation or statement. There are never any references to which the sceptical or interested reader may go himself. For example, he claims that both Lenin and Trotsky signed an ultimatum addressed to the Kronstadt strikers which stated, among other things, "Surrender, or you will be machine-gunned like rabbits." Where, how, when, etc.? The very expression seems totally unlike both men, yet Serge offers no reference, no possible way of checking the matter. Or, Lenin (p. 144) is quoted as having said to one of Serge's friends, "This is Thermidor. But we won't let ourselves be guillotined; we'll make Thermidor ourselves!" The expression and its implication seem impossible. Similarly, his evaluation of the "Workers' Opposition" doesn't gibe with the known facts. And one may easily doubt a considerable number of other impressionistic, exaggerated, emotional and offhand statements scattered through the work.

Thus, unfortunately, the memoirs have been used by unpalatable sources which make a profession of anti-Bolshevism.

But have not those who sought in Serge an authentic voice of evidence of Bolshevism's original sins violated the spirit of his work? Absolutely. For, despite his often bitter and harsh criticisms of Russian Bolshevism, he stands solidly on the ground of the revolution itself, and evokes those special circumstances—well-known to objective people—which drove the Bolsheviks to employ ever harsher measures against their opponents. In fact, a substantial section of his work is devoted to describing the agency of the civil war, the famine, isolation, backwardness, etc., of early Russia. Serge even recognizes the meaning of the famous slogan raised during the Kronstadt episode, "Soviets without Communists." To enforce further this fundamental position of Serge, we need but point to his support and admiration for Trotsky, his adherence to the Trotskyist opposition and his activity in its behalf. No, Serge was no anti-Bolshevik of the contemporary school. Certain confusions and contradictions in his memoirs cannot replace the clear meaning of its general line. Similarly, his often changed relations with Trotsky (in retrospect, he was certainly right as against Trotsky on many issues, such as the premature formation of the "Fourth International"), cannot be discolored by his fundamental solidarity with the man he admired most of all.

But this does not quite establish the necessary balance, since Serge's sharp criticisms of the Bolsheviks remain. How shall we evaluate them? Today, as is well known, there exists no systematic and organized critique of the theory and practice of Russian Bolshevism, written from a Marxist and socialist standpoint. At best, there have been some suggestions, tentative remarks, half-formulated doubts, etc. But a serious work which, while rejecting the vulgarisations which are so common today, would nonetheless assess the question if there was something inherent in Russian Marxism which facilitated and aided its transmutation into Stalinism—such a work does not exist. It would be hard to imagine a more promising (and formidable) task than that of collating, synthesizing and evaluating the progressive criticisms of Bolshevism, and attempting to draw fruitful lessons from that greatest of all revolutionary experiences!

Here, aside from its own value and in-

terest, lies perhaps the true value of Serge's memoirs. With all his shortcomings and weaknesses, and in his own fashion, Serge has indicated possible ways of reexamining Bolshevism and the revolution. Not merely through the specific events and personalities he describes, but also through the practice and functioning of the first workers' state and its leading party. For Serge, the human element, the individual (Man), was the weakest point of Bolshevism. His viewpoint on this question is a coming together of his early anarchist beliefs, with the ideas, the nee-humanism, of European intellectuals like André Gide. For Serge, much in the practice of Bolshevism and Leninism made it possible to corrupt and break men; not, to be sure, by the familiar methods of bourgeois society, but by the instrumentality of power. Lenin, he tells us, referred to the men of the Cheka (revolutionary state police) as made up of "sinister imbeciles"! Did the Bolsheviks overestimate the "objective factor" in history? Serge brilliantly defends Trotsky against the charge of Jesuitical morality, yet he doubts many of the concrete actions of the régime undertaken as measures of "self-preservation." Unfortunately, he halts halfway; he does not pursue his criticism to the end, and does not offer us, in the concrete, other standards. Yet, at a time when an attitude of subservience toward these events cannot be justified by the fact that so many have completely disowned what they once accepted, in Serge's efforts can be recognized a true and correct beginning of a reevaluation which, one day, must take place. Acceptable as a part of this task is the optimistic note on which his memoirs end where, reaffirming his belief in socialism, human justice and individual freedom, he urges us to learn from ". . . the passion, the experience and even the mistakes" of his now destroyed generation.

H. J.

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